

# S&P Dow Jones Indices

A Division of **S&P Global**

## **S&P/CLX Indices** *Methodology*

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S&P Dow Jones Indices: Index Methodology

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# Introduction

## Index Objectives, Family, and Highlights

The S&P/CLX Indices measure the performance of various market segments of stocks listed on the Santiago Exchange.

**S&P/CLX IGPA (Índice General de Precios de Acciones).** The index measures the performance of Chile domiciled stocks listed on the Santiago Exchange that meet certain liquidity criteria, and is designed to serve as a broad benchmark for the Chile equities market. Stocks in the index must have a bursatility presence greater than or equal to 25%.<sup>1</sup>

- **S&P/CLX IGPA LargeCap.** The index measures the performance of stocks representing the top 70% of the cumulative total market capitalization within the S&P/CLX IGPA.
- **S&P/CLX IGPA MidCap.** The index measures the performance of stocks representing the next 20% of the cumulative total market capitalization within the S&P/CLX IGPA..
- **S&P/CLX IGPA SmallCap.** The index measures the performance of stocks representing all companies that do not belong to the S&P/CLX IGPA LargeCap and the S&P/CLX IGPA MidCap within the S&P/CLX IGPA.
- **Sector Indices.** Sector indices using the Global Industry Classification Standard (GICS) based on the S&P/CLX IGPA are also available.

*For more information on GICS, please refer to the GICS methodology document.*

**S&P/CLX IPSA (Índice de Precios Selectivo de Acciones).** The index measures the performance of some of the largest and most liquid stocks listed on the Santiago Exchange.

**S&P/CLX INTER-10.** The index measures the performance of the 10 most liquid Chilean stocks that have American Depositary Receipts (ADRs) within the S&P/CLX IPSA listed on the NYSE or NASDAQ.

**S&P/CLX Chile Dividend.** The index measures the performance of the constituents in the S&P Chile BMI Index that have paid dividends for the last five years. Constituents are weighted by the product of their float-adjusted market capitalization and 12-month dividend yield.

**S&P/CLX Chile 15.** The index is designed to measure the performance of 15 of the largest and most liquid stocks domiciled in Chile and listed on the Santiago Exchange.

## Collaboration

Pursuant to an Index Operation and License Agreement dated August 2016 (the “Agreement”) between S&P Dow Jones Indices LLC (“S&P DJI”) and the Santiago Exchange, as amended, S&P DJI and the Exchange have agreed to jointly publish and co-brand a family of indices (the “Indices”). The Indices were co-branded with the S&P/CLX name on August 6, 2018 in conjunction with S&P Dow Jones Indices’ assumption of index calculation and maintenance.

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<sup>1</sup> Bursatility presence is a parameter indicative of liquidity whose value includes a tax benefit. As established in article 4 Bis of Law 18,045, the adjusted presence of a security for a given day shall be calculated by:

- Determining the number of days during the 180 trading days prior to the day of calculation on which the total daily market transactions have reached a minimum equivalent in Chilean pesos to 1,000 Unidades de Fomento (UF), based on the value of the UF on each of those days.
- Dividing that number by 180 and then multiplying the resulting quotient by 100 to give a percentage.

Prior to August 6, 2018, the following indices were calculated and maintained by the Santiago Exchange:

- S&P/CLX IGPA
- S&P/CLX IGPA LargeCap
- S&P/CLX IGPA MidCap
- S&P/CLX IGPA SmallCap
- S&P/CLX IGPA Sector Indices
- S&P/CLX IPSA
- S&P/CLX INTER-10

### Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein. References throughout the methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this methodology and the hyperlinks to those documents is as follows:

Supporting Document	URL
S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology	<a href="#">Equity Indices Policies &amp; Practices</a>
S&P Dow Jones Indices' Index Mathematics Methodology	<a href="#">Index Mathematics Methodology</a>
S&P Dow Jones Indices' Float Adjustment Methodology-	<a href="#">Float Adjustment Methodology</a>
S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology	<a href="#">GICS Methodology</a>

This methodology was created by S&P Dow Jones Indices and the Santiago Exchange to achieve the aforementioned objective of measuring the underlying interest of each index governed by this methodology document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of S&P Dow Jones Indices and the Santiago Exchange so that the index continues to achieve its objective.

# Eligibility Criteria and Index Construction

## S&P/CLX IGPA

**Index Universe.** The underlying universe includes all Chile-domiciled equity stocks listed on the Santiago Exchange.

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- Companies with an IWF (Investable Weight Factor) greater than or equal to 5%.
- Bursatility presence greater than or equal to 25%.
- Pension Funds (Administradora de Fondos de Pensiones or AFPs) and companies holding more than 50% of the shares of a public pension fund (considered major shareholders) are ineligible for index inclusion.

**Constituent Selection.** Companies meeting the above eligibility criteria with an annual traded value in excess of Unidad de Fomento (UF)<sup>2</sup> 10,000 as of the rebalancing reference date are selected. If a stock has traded for less than 12 months, the available trading history is annualized.

**Constituent Weightings.** The index is weighted by float-adjusted market capitalization.

*Please refer to S&P Dow Jones Indices' Index Mathematics Methodology for a detailed description of a market capitalization weighted index methodology.*

**Rebalancing.** The index is rebalanced annually after the close on the third Friday of March. As part of the rebalancing process, the index composition and constituent stock weights are updated. The rebalancing reference date is the third Friday of February. In addition, the index shares are updated quarterly after the close of the third Friday of June, September, and December. Constituents' index shares are calculated using closing prices from seven business days prior to the rebalancing date.

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<sup>2</sup> For more information on UF please refer to the Central Bank of Chile at [Unidad de fomento](#).

## **S&P/CLX IGPA LargeCap, MidCap, and SmallCap Indices**

**Index Universe.** The Index Universe consists of all companies included in the S&P/CLX IGPA, adjusted for any composition changes due to rebalancing.

**Selection Universe.** All stocks in the Index Universe are selected and form the Selection Universe.

**Constituent Selection.** The indices are segmented based on float-adjusted market capitalization using a split of 70/20/10. Companies within the S&P/CLX IGPA are ranked by total market capitalization, and then float-adjusted market capitalization at the stock level is accumulated to 70% forming the S&P/CLX IGPA LargeCap Index, the next 20% forming the S&P/CLX IGPA MidCap Index, and the final 10% forming the S&P/CLX IGPA SmallCap Index.

A 3% buffer is applied to each size index during the rebalancing in order to minimize turnover. This criterion allows companies currently in the index to retain their current classification if they fall within 3% above or below the 70/20/10 splits.

**Constituent Weightings.** The indices are weighted by float-adjusted market capitalization.

*Please refer to S&P Dow Jones Indices' Index Mathematics Methodology for a detailed description of a market capitalization weighted index methodology.*

**Rebalancing.** The indices are rebalanced annually after the close on the third Friday of March. As part of the rebalancing process, the index composition and constituent stock weights are updated. The rebalancing reference date is the third Friday of February. In addition, the index is re-weighted quarterly after the close of the third Friday of June, September, and December. Constituents' index shares are calculated using closing prices from seven business days prior to the rebalancing date.

## S&P/CLX IPSA

**Index Universe.** The index universe is defined as all constituents of the S&P/CLX IGPA adjusted for any composition changes due to the rebalancing.

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- Stocks must have an annualized six-month median value traded ratio (MVTR) of at least 10% to be eligible for index inclusion (7% for current constituents). If a stock has traded less than 6 months, the available trading history is annualized.
- Bursatility presence greater than or equal to 90% (85% for current constituents).
- Stocks must have a float adjusted market capitalization greater than or equal to CLP 200 billion (CLP 160 billion for current constituents).
- **Multiple Share Classes.** Each company is represented once by the Designated Listing. For more information regarding the treatment of multiple share classes, please refer to Approach B within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices document.

**Constituent Selection.** Stocks meeting the eligibility criteria are ranked based on six-month median daily value traded (MDVT). The top 30 stocks, as ranked by MDVT, are selected, subject to buffers and a minimum stock count of 25, as detailed in the steps below:

1. All eligible stocks within the top 25 rankings are automatically selected.
2. The remaining five spots are filled with current constituents ranked among the top 35.
3. If there are less than 30 selected stocks after step 2, then eligible non-constituents are selected until the target stock count of 30 is met.
4. If there are less than 30 stocks after step 3, then all eligible stocks are selected with the objective of having a minimum count of 25.

If there are less than 25 eligible stocks after step 4, then the Index Committee will use discretion in order to determine the best approach in achieving the minimum stock count of 25..

**Constituent Weightings.** The index is weighted by float-adjusted market capitalization, subject to a 15% single stock cap. In addition, a 25% enterprise group cap is applied, based on data published by the Chilean Commission for the Financial Market (Comisión para el Mercado Financiero, or CMF).

The excess weight of stocks exceeding these caps is redistributed proportionally among the other stocks at rebalancing. Stock capping is applied quarterly and takes effect at the open of the Monday following the third Friday of March, June, September and December.

*Please refer to S&P Dow Jones Indices' Index Mathematics Methodology for a detailed description of a capped market capitalization index methodology*

**Rebalancing.** The index is rebalanced semi-annually after the close on the third Friday of March and September. As part of the rebalancing process, the index composition, and constituent stock weights are updated. The rebalancing reference date is the third Friday of February and August, respectively. In addition, the index is re-weighted quarterly after the close of the third Friday of June and December. Constituents' index shares are calculated using closing prices from seven business days prior to the rebalancing date.

## **S&P/CLX INTER-10**

**Index Universe.** The Index Universe consists of all stocks included in the S&P/CLX IPSA adjusted for any composition changes due to the rebalancing.

**Constituent Selection.** Companies included in the S&P/CLX IPSA that have an ADR are eligible. The local listing of the top 10 eligible companies, based on six-month average daily trading volume (ADTV), are selected and form the index.

**Constituent Weightings.** The index is weighted by float-adjusted market capitalization.

*Please refer to S&P Dow Jones Indices' Index Mathematics Methodology for a detailed description of a market capitalization weighted index methodology*

**Rebalancing.** The index is rebalanced annually after the close on the third Friday of March. As part of the rebalancing process, the index composition and constituent stock weights are updated. The rebalancing reference date is the third Friday of February. In addition, the index is re-weighted quarterly after the close of the third Friday of June, September, and December. Constituents' index shares are calculated using closing prices from seven business days prior to the rebalancing date.

## S&P/CLX Chile 15

**Index Universe.** For a security to be eligible for consideration for the S&P/CLX Chile 15 Index, it must, on the rebalancing reference date:

- Be an existing member of the S&P Chile BMI (Broad Market Index), which is a country sub-index of the S&P Global BMI Index as of the rebalancing effective date.
- Be trading on the Santiago Exchange as a local listing.

*For more information on the S&P Global BMI Index, please refer to the S&P Global BMI, S&P/IFCI Methodology document located on our Web site, [www.spdji.com](http://www.spdji.com).*

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Liquidity.** Have a minimum six-month MDVT of CLP 150 million (CLP 120 million for current constituents).
- **Trading History.** Have a minimum six-month trading history on the Exchange.
- **Ineligible Securities.** Pension Funds (Administradora de Fondos de Pensiones or AFPs) and companies holding more than 50% of the shares of a public pension fund (considered major shareholders) are ineligible for index inclusion.
- **Multiple Share Classes.** Each company is represented once by the Designated Listing. For more information regarding the treatment of multiple share classes, please refer to Approach B within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices document.

**Constituent Selection.** The constituent selection process is as follows:

1. Companies in the universe that satisfy the eligibility criteria are ranked first by float-adjusted market capitalization (FMC) in CLP and then by six-month MDVT.
2. The average of the FMC and MDVT ranks is calculated to derive a final rank. Stocks in the selection universe are then sorted by final rank.
  - i. If two companies have the same final rank, preference is given to the company with the higher FMC rank.
3. Stocks are selected by final rank, subject to buffers that aim to limit index turnover by favoring current constituents:
  - i. The top 12 companies are selected for the index, regardless of whether they are current constituents.
  - ii. Current constituents ranked in the top 18 are selected top-down to fill the remaining spots.
  - iii. If the number of selected components is still less than 15, then current non-constituents are selected top down by final rank.

In the event that fewer than 10 stocks in the universe meet the liquidity rule stated in the *Eligibility Criteria*, the next most liquid stocks within the S&P Chile BMI, based on six-month MDVT, are chosen until the target minimum count of 10 is reached.

**Constituent Weightings.** All constituents are first weighted individually by FMC and MDVT, with a final weight derived as the average of the FMC and MDVT weights, subject to a maximum single stock weight of 18%.

*Please refer to S&P Dow Jones Indices' Index Mathematics Methodology for a detailed description of a non-market capitalization weighted index methodology.*

**Rebalancing.** The index is rebalanced semi-annually after the close on the final business day of May and November. As part of the rebalancing process, the index composition and constituent stock weights are updated. The rebalancing reference date is the last business day of April and October.<sup>3</sup> Constituents' index shares are calculated using closing prices from seven business days prior to the rebalancing date.

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<sup>3</sup> For history prior to launch the index used a rebalancing reference date of the last business day of February and August. Prior to the November 2017 rebalancing, the rebalancing effective date was after the close of the third Friday of March and September.

## S&P/CLX Chile Dividend

**Index Universe.** For a security to be eligible for consideration for the index, it must, on the rebalancing reference date:

- Be an existing member of the S&P Chile BMI (Broad Market Index), a country sub-index of the S&P Global BMI.
- Be trading on the Santiago Exchange as a local listing.

For more information on the S&P Global BMI please refer to the S&P Global BMI, S&P/IFCI Methodology document located on our Web site, [www.spdji.com](http://www.spdji.com).

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Liquidity.** Stocks must have a minimum six-month MDVT of CLP 150 million (CLP 105 million six month MDVT for current constituents).
- **Ineligible Securities.** Pension Funds (Administradora de Fondos de Pensiones or AFPs) and companies holding more than 50% of the shares of a public pension fund (considered major shareholders) are ineligible for index inclusion.
- **Dividend Payments.** Dividend yield is calculated as the dividend per share paid over the trailing 12-months divided by the price as of the rebalancing reference date. Special and extraordinary dividends are not included in the calculation. For a given stock, dividends must have been paid for the last five years as of the rebalancing reference date. Companies are excluded if they eliminate their latest scheduled dividend payment or cancel their subsequent scheduled dividend.
- **Multiple Share Classes.** All publicly listed multiple share class lines are eligible for index inclusion, subject to meeting the eligibility criteria. For more information regarding the treatment of multiple share classes, please refer to Approach A within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices document.

**Constituent Selection.** At each rebalancing, all companies in the index universe that satisfy the *Eligibility Criteria* are selected and form the index.

If fewer than 10 stocks in the universe are eligible, the next most liquid stocks, based on six-month MDVT, that meet the remaining eligibility criteria are chosen until the target minimum count of 10 is reached. If there are still less than 10 stocks following this step, then the index will have less than 10 constituents.

**Constituent Weightings.** At each rebalancing, each index constituent is weighted by the product of its trailing 12-month dividend yield and its float-adjusted market capitalization subject to a maximum single stock weight of 15%. In addition, a 25% enterprise group cap is applied, based on data published by the Chilean Commission for the Financial Market (Comisión para el Mercado Financiero or CMF).<sup>4</sup>

Please refer to S&P Dow Jones Indices' *Index Mathematics Methodology* for a detailed description of a non-market capitalization weighted index methodology.

**Dividend Payment Types.** S&P Dow Jones Indices only considers cash dividend payments declared as regular by the paying company for index eligibility, selection, and weighting purposes. Cash dividend payments declared as special by the paying company, including recurring special cash dividends, are not considered. For both eligibility and weighting purposes, annualized cash dividend amounts, before withholding tax, are used.

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<sup>4</sup> This information is publicly available at <http://www.cmfchile.cl/portal/principal/605/w3-propertyvalue-18651.html>.

**Rebalancing.** The index is rebalanced annually after the close on the last business day of January. As part of the rebalancing process, the index composition and constituent stock weights are updated. In addition, the index undergoes a reweighting after the close on the last business day of July. The reference dates are the last business days of December and June, respectively. Constituents' index shares are calculated using closing prices from seven business days prior to the rebalancing date.

**Monthly Review.** In addition to the annual rebalancing, constituent stocks are reviewed on a monthly basis. At the discretion of S&P Dow Jones Indices, if a constituent stock publicly announces a suspension to or cancellation of its dividend program, the stock may be removed effective prior to the open of the first business day of the following month and not replaced.

Such removals are subject to the constituent stock's announcement being made a minimum of five business days prior to month-end.

# Index Maintenance

## Index Calculations

The index is calculated by means of the divisor method used for all S&P Dow Jones Indices' equity indices.

*For more information on the Index calculation methodology, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.*

## Additions and Deletions

The majority of additions and deletions occur as part of the index rebalancings. Companies removed from an index intra-rebalancing due to corporate actions or delistings are not replaced until the following rebalancing.

**Initial Public Offerings (IPO).** IPO additions to the index take place quarterly. The criteria for inclusion of an IPO are the same as that used at the rebalancings. In addition, IPOs must have a trading history of at least three months as of the reference date. The reference date for IPO inclusions will be five weeks prior to the effective rebalancing dates, and additions are effective at the open of Monday following the third Friday of March, June, September, and December. The market capitalization and liquidity criteria of IPOs are evaluated as of the reference date. Since an IPO will have traded less than a full year, the trading value data that is available is annualized to determine index eligibility.

**Spin-Offs.** Except for the S&P/CLX Chile Dividend, spun-off entities are added to all indices of which the parent is a constituent at a zero price at the market close of the day before the ex-date. There is no divisor change. Spin-offs are then re-evaluated for continued index eligibility at the next rebalancing. For the S&P/CLX Chile Dividend the spun-off company is added to the index at a zero price and will be dropped from the index after the first day of regular way trading provided the drop event has been announced at least two days prior to the drop date.

**Suspensions.** The suspension review evaluation date to determine a potential index deletion is the last business day of February, May, August, and November. Stocks that reach a suspension period of 60 days or more, as of the evaluation date, are subject to index deletion at the quarterly review effective at the open on the Monday following the third Friday in March, June, September, and December. Suspended stocks use the last available official closing price prior to the suspension for index calculation during the suspension period. Suspended stocks are removed from the indices at a zero price.

*For more information on suspensions, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.*

## Corporate Actions

For more information on corporate actions, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

## Investable Weight Factor (IWF)

All issuers in the S&P/CLX Indices are assigned a float factor, called an Investable Weight Factor (IWF). The IWF ranges between 0 and 1 and is an adjustment factor that accounts for the publicly available shares of a company.

Please refer to S&P Dow Jones Indices' Float Adjustment Methodology for a detailed description of float adjustment and IWFs.

### Currency, Currency Hedged, and Risk Control Indices

The S&P/CLX Indices are calculated in Chilean pesos (CLP). In addition, the S&P/CLX Chile 15 and S&P/CLX Chile Dividend indices are also calculated in U.S. dollars.

WM/Reuters foreign exchange rates, taken daily at 4:00 PM London Time, are used in the end-of-day calculation of the indices for any dividends paid in an alternate currency (e.g. USD). These mid-market fixings are calculated by The WM Company based on Reuters data and appear on Reuters pages WMRA.

Additional currency, currency hedged, and risk control versions of the indices may be available. For a list of available currency, currency hedged, and risk control indices, please contact Client Services at [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

For more information on currency, currency hedged, and risk control indices, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

### Base Dates and History Availability

Index history availability, base dates and base values are shown in the table below.

Index	Launch Date	First Value Date	Base Date	Base Value
S&P/CLX IPSA	12/30/1977	12/30/1977	12/30/1977	1000
S&P/CLX IGPA	12/30/1980	12/30/1980	12/30/1980	100
S&P/CLX IGPA LargeCap	12/31/2007	12/31/2007	12/31/2007	14076.25
S&P/CLX IGPA MidCap	12/31/2007	12/31/2007	12/31/2007	14076.25
S&P/CLX IGPA SmallCap	12/31/2007	12/31/2007	12/31/2007	14076.25
S&P/CLX INTER-10	12/30/1980	12/30/1980	12/30/1980	100
S&P/CLX Chile 15	07/17/2017	03/18/2005	03/18/2005	100
S&P/CLX Chile Dividend	06/25/2018	01/31/2008	01/31/2008	100
S&P/CLX IGPA Consumer Staples	08/03/2018	06/01/2018	08/03/2018	1000
S&P/CLX IGPA Consumer Discretionary	08/03/2018	06/01/2018	08/03/2018	1000
S&P/CLX IGPA Energy	08/03/2018	06/01/2018	08/03/2018	1000
S&P/CLX IGPA Financials	08/03/2018	06/01/2018	08/03/2018	1000
S&P/CLX IGPA Health Care	08/03/2018	06/01/2018	08/03/2018	1000
S&P/CLX IGPA Information Technology	08/03/2018	06/01/2018	08/03/2018	1000
S&P/CLX IGPA Industrials	08/03/2018	06/01/2018	08/03/2018	1000
S&P/CLX IGPA Materials	08/03/2018	06/01/2018	08/03/2018	1000
S&P/CLX IGPA Real Estate	08/03/2018	06/01/2018	08/03/2018	1000
S&P/CLX IGPA Communication Services	08/03/2018	06/01/2018	08/03/2018	1000
S&P/CLX IGPA Utilities	08/03/2018	06/01/2018	08/03/2018	1000

# Index Data

## Calculation Return Types

S&P Dow Jones Indices calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P Dow Jones Indices.

- Price Return (PR) versions are calculated without adjustments for regular cash dividends.
- Gross Total Return (TR) versions reinvest regular cash dividends at the close on the ex-date without consideration for withholding taxes.
- Net Total Return (NTR) versions, if available, reinvest regular cash dividends at the close on the ex-date after the deduction of applicable withholding taxes.

In the event there are no regular cash dividends on the ex-date, the daily performance of all three indices will be identical.

For a complete list of indices available, please refer to the daily index levels file (“SDL”).

*For more information on the classification of regular versus special cash dividends as well as the tax rates used in the calculation of net return, please refer to S&P Dow Jones Indices’ Equity Indices Policies & Practices document.*

*For more information on the calculation of return types, please refer to S&P Dow Jones Indices’ Index Mathematics Methodology.*

# Index Governance

## **Index Committee**

The index is maintained by the S&P/CLX Index Committee. The Index Committee meets regularly. All committee members are full-time professional members of S&P Dow Jones Indices and the Santiago Exchange. At each meeting, the Index Committee reviews pending corporate actions that may affect index constituents, statistics comparing the composition of the indices to the market, companies that are being considered as candidates for addition to an index, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting companies, treatment of dividends, share counts or other matters.

S&P Dow Jones Indices considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

*For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.*

# Index Policy

## **Announcements**

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting the daily index calculation are typically announced in advance via the Index Corporate Events report (.SDE), delivered daily to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

All methodology changes are posted to the S&P Dow Jones Indices' Web site and announced via email to all clients. The latest available version is posted on the Web site at [www.spdji.com](http://www.spdji.com).

*For more information, please refer to the Announcements section of S&P Dow Jones Indices' Equity Indices Policies & Practices document.*

## **Pro-forma files**

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the indices rebalance. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents and their corresponding weights and index shares effective for the upcoming rebalancing. Since index shares are assigned based on prices seven business days prior to the rebalancing, the actual weight of each stock at the rebalancing will differ from these weights due to market movements.

*Please visit [www.spdji.com](http://www.spdji.com) for a complete schedule of rebalancing timelines and pro-forma delivery times.*

## **Holiday Schedule**

The indices are calculated daily, throughout the calendar year. The only days the indices are not calculated are on days when all exchanges where an index's constituents are listed are officially closed.

*A complete holiday schedule for the year is available at [www.spdji.com](http://www.spdji.com).*

## **Rebalancing**

The Index Committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

## **Unexpected Exchange Closures**

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

## **Recalculation Policy**

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

**Real-Time Calculation**

Real-time, intra-day, index calculations are executed for certain indices, whenever any of the index's primary exchanges are open. Real-time indices are not restated.

*For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.*

**Contact Information**

For questions regarding an index, please contact: [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

# Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at [www.spdji.com](http://www.spdji.com), major quote vendors (see codes below), numerous investment-oriented Web sites, and various print and electronic media.

## Tickers

The table below lists headline indices covered by this document. All currency, currency hedged, risk control, and return type versions of the below indices that may exist are also covered by this document. Please contact [index\\_services@spglobal.com](mailto:index_services@spglobal.com) for a complete list of indices covered by this document.

Index (Currency)	Return Type	Bloomberg	Reuters
S&P/CLX IPSA (CLP)	Price Return Total Return	IPSASD IPSA	-- .IPSA
S&P/CLX IGPA (CLP)	Price Return Total Return	IGPASD IGPA	-- .IGPA
S&P/CLX IGPA LargeCap (CLP)	Price Return Total Return	IGPALSD IGPAL	-- .IGPAL
S&P/CLX IGPA MidCap (CLP)	Price Return Total Return	IGPAMSD IGPAM	-- .IGPAM
S&P/CLX IGPA SmallCap (CLP)	Price Return Total Return	IGPASSD --	-- .IGPAS
S&P/CLX INTER-10 (CLP)	Price Return Total Return	INTER10S INTER10	-- .INTER10
S&P/CLX Chile 15 (CLP)	Price Return Total Return	SPCL15CP SPCL15CT	-- --
S&P/CLX Chile Dividend (CLP)	Price Return Total Return	SPCLXDCP SPCLXDCT	-- --
S&P/CLX Chile Dividend (USD)	Price Return Total Return	SPCLXDUP SPCLXDUT	-- --
S&P/CLX IGPA Consumer Staples (CLP)	Price Return Total Return	-- --	-- --
S&P/CLX IGPA Consumer Discretionary (CLP)	Price Return Total Return	-- --	-- --
S&P/CLX IGPA Energy (CLP)	Price Return Total Return	-- --	-- --
S&P/CLX IGPA Financials (CLP)	Price Return Total Return	-- --	-- --
S&P/CLX IGPA Health Care (CLP)	Price Return Total Return	-- --	-- --
S&P/CLX IGPA Information Technology (CLP)	Price Return Total Return	-- --	-- --
S&P/CLX IGPA Industrials (CLP)	Price Return Total Return	-- --	-- --
S&P/CLX IGPA Materials (CLP)	Price Return Total Return	-- --	-- --
S&P/CLX IGPA Real Estate (CLP)	Price Return Total Return	-- --	-- --
S&P/CLX IGPA Communication Services (CLP)	Price Return Total Return	-- --	-- --
S&P/CLX IGPA Utilities (CLP)	Price Return Total Return	-- --	-- --

**Index Data**

Daily constituent and index level data are available via subscription.

*For product information, please contact S&P Dow Jones Indices, [www.spdji.com/contact-us](http://www.spdji.com/contact-us).*

**Web site**

*For further information, please refer to S&P Dow Jones Indices' Web site at [www.spdji.com](http://www.spdji.com) and <https://espanol.spindices.com>.*

# Appendix – Methodology Changes

Methodology changes since August 6, 2018 are as follows:

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
Eligibility: S&P/CLX IGPA Communication Services (CLP)	09/21/2018	The index is comprised of all constituents of the S&P/CLX IGPA classified as part of the Telecommunication Services Sector (GICS Code: 50).	The index is comprised of all constituents of the S&P/CLX IGPA classified as part of the Communication Services Sector (GICS Code: 50).
IPO Eligibility and Inclusion:  S&P/CLX Indices	09/21/2018	--	IPO additions to the index take place quarterly. The criteria for inclusion of an IPO are the same as that used at the rebalancings. In addition, IPOs must have a trading history of at least three months as of the reference date. The reference date for IPO inclusions will be five weeks prior to the effective rebalancing dates, and additions are effective at the open of Monday following the third Friday of March, June, September, and December. The market capitalization and liquidity criteria of IPOs are evaluated as of the reference date. Since an IPO will have traded less than a full year, the trading value data that is available is annualized to determine index eligibility.
Bursatility Presence Criteria:  S&P/CLX IGPA	03/15/2019	All companies listed on the Exchange with a minimum bursatility presence of 5% are eligible and selected for index inclusion.	Bursatility presence greater than or equal to 25%.
Size Segmentation:  S&P/CLX IGPA	03/15/2019	The indices are segmented based on total market capitalization using a split of 70/20/10. Companies in the IGPA with a bursatility presence of at least 25% are ranked by total market capitalization, and then total market capitalization at the stock level is accumulated to 70% forming the IGPA Large Index, the next 20% forming the IGPA Mid Index, and the final 10% forming the IGPA Small Index.	The indices are segmented based on float-adjusted market capitalization using a split of 70/20/10. Companies within the IGPA are ranked by total market capitalization, and then float-adjusted market capitalization at the stock level is accumulated to 70% forming the IGPA Large Index, the next 20% forming the IGPA Mid Index, and the final 10% forming the IGPA Small Index.  A 3% buffer is applied to each size index during the rebalancing in order to minimize turnover. This criterion allows companies currently in the index to retain their current classification if they fall within 3% above or below the 70/20/10 splits.
Rebalancing Effective Date:  S&P/CLX IGPA, S&P/CLX IGPA Sizes, S&P/CLX INTER-10	09/21/ 2018	Annual rebalancings take effect at the close of business on the first Friday of February. Quarterly rebalancings take effect at the open on the Monday following the third Friday of March, June, September and December.	The index is rebalanced annually after the close on the third Friday of March. As part of the rebalancing process, constituent stock weights are updated. The rebalancing reference date is the third Friday of February. In addition, the index is

			re-weighted quarterly after the close of the third Friday of June, September and December. Constituents' index shares are calculated using closing prices from seven business days prior to the rebalancing date.
Rebalance Effective Date: S&P/CLX IPSA	09/21/2018	The index is rebalanced annually, effective at the close of business on the first Friday of February.	The index is rebalanced semi-annually after the close on the third Friday of March and September. As part of the rebalancing process, constituent stock weights are updated. The rebalancing reference date is the third Friday of February and August, respectively. In addition, the index is re-weighted quarterly after the close of the third Friday of June and December.
Index Universe: S&P/CLX IPSA	09/21/2018	The index universe is defined as all Chilean-domiciled stocks trading on the Exchange, except those considered non-investable by pension funds.	The index universe is defined as all constituents of the IGPA Index, except for listed pension funds (AFPs) and companies holding more than 50% of the shares of a public pension fund (considered major shareholders).
Market Capitalization Criteria: S&P/CLX IPSA	09/21/2018	Stocks must have a total market cap of at least US\$ 200 million to be eligible for the index.	Stocks must have a float adjusted market capitalization greater than or equal to CLP 200 billion (CLP 160 billion for current constituents).
Bursatility Presence Criteria: S&P/CLX IPSA	09/21/2018	--	Bursatility presence greater than or equal to 90% (85% for current constituents).
Liquidity Criteria: S&P/CLX IPSA	09/21/2018	--	Stocks must have a MVTR of at least 10% to be eligible for index inclusion (7% for current constituents)
Selection Criteria: S&P/CLX IPSA	09/21/2018	The 40 companies whose stocks ranked from greatest to least Average Daily Trading Volume (ADTV) on the SSE that meet the following conditions will be selected: I. Belonging to the index's current portfolio and be within the first 45 positions on the ranking. II. If fewer than 40 stocks are selected in the preceding point, the portfolio of stocks should be completed with the stocks in the first positions on the ranking that were not selected in the preceding point.	Stocks meeting the eligibility criteria are ranked based on 6 month MDTV. The top 30 stocks ranked by six-month median daily value traded (MDVT) are selected, subject to buffers and a minimum stock count of 25, as detailed in the steps below: 1. All eligible stocks within the top 25 rankings are automatically selected. 2. The remaining five spots are filled with current constituents ranked among the top 35, 3. If there are less than 30 selected stocks after step 2, then eligible non-constituents are selected until the target stock count of 30 is met. 4. If there are less than 30 eligible stocks after step 3, then all eligible stocks are selected.  If there are less than 25 eligible stocks after step 4, then the Index Committee will use discretion in order to determine the best approach in achieving the minimum stock count of 25.

Weighting Scheme: S&P/CLX IPSA	09/21/2018	Index constituents are weighted by float-adjusted market capitalization and are uncapped.	The index is weighted by float-adjusted market capitalization, subject to a 15% single stock cap. In addition, a 25% economic group cap is applied, based on data published by the Chilean Commission for the Financial Market (Comisión para el mercado financiero).  The excess weight of stocks exceeding these caps is redistributed proportionally among the other stocks at rebalancing. Stock capping is applied quarterly and takes effect at the open of the Monday following the third Friday of March, June, September and December.
Shares and Float: S&P/CLX IGPA, S&P/CLX IGPA Sizes, S&P/CLX INTER-10, and S&P/CLX IPSA	09/21/2018	The indices employ the shares and free-float methodology detailed in section 4.1 Updating Number of Outstanding Shares and Free-Float of Santiago Exchange Market Indices & DJSI Chile Selection and Calculation Methodology.	The indices will use S&P DJI Shares and IWFs. Shares and IWFs effective with the September rebalancing will be announced on Friday, September 7, 2018.
Stock Replacement: S&P/CLX IPSA	08/03/2018	Replacements are made on an as needed basis in order to maintain a fixed count of 40 stocks.	Companies that are removed from the index intra-rebalancing due to corporate actions or delistings are not replaced until the following rebalancing.
Spin offs: S&P/CLX IGPA, S&P/CLX IGPA Sizes, S&P/CLX INTER-10, and S&P/CLX IPSA	08/03/2018	Spun-off entities are added with an estimated price and immediately reviewed by the committee for continued eligibility.	Spun-off entities are added to all indices of which the parent is a constituent, at a zero price at the market close of the day before the ex-date. There is no divisor change. Spin-offs are then re-evaluated for continued index eligibility at the next rebalancing.
Suspended Stocks: S&P/CLX IGPA, S&P/CLX IGPA Sizes, S&P/CLX INTER-10, and S&P/CLX IPSA	08/03/2018	Suspended stocks are removed after 60 days of consecutive suspension.	The suspension review evaluation date to determine a potential index deletion is the last business day of February, May, August and November. Stocks that reach a suspension period of 60 days or more, as of the evaluation date, are subject to index deletion at the quarterly review effective at the open on the Monday following the third Friday in March, June, September and December. Suspended stocks use the last available official closing price prior to the suspension for index calculation during the suspension period. Suspended stocks are removed from the indices at a zero price.
Foreign Exchange Rate used for Dividend Conversions: S&P/CLX IGPA, S&P/CLX IGPA Sizes, S&P/CLX INTER-10, and S&P/CLX IPSA	08/03/2018	The Chilean Central Bank's "Dolar Observado" Rate is used for dividend conversions in the event that a constituent pays a dividend in an alternate currency or the issuer does not provide a conversion rate.suspension.	WM/Reuters foreign exchange rates, taken daily at 4:00 PM London Time, are used in the end-of-day calculation of the indices for any dividends paid in an alternate currency (e.g. USD). These mid-market fixings are calculated by The WM Company based on Reuters data and appear on Reuters pages WMRA.

Eligibility of AFPs and Companies Holding:  S&P/CLX IGPA, S&P/CLX IGPA Sizes, S&P/CLX INTER-10, and S&P/CLX IPSA	08/03/2018	Stocks that are not eligible as investment instruments for Chilean pension funds ("Administradora de Fondos de Pensiones" or "AFPs") are ineligible for index inclusion.	Pension Funds (Administradora de Fondos de Pensiones or AFPs) and companies holding more than 50% of the shares of a public pension fund (considered major shareholders) are ineligible for index inclusion.
Certain Eligibility Criteria:  S&P/CLX IGPA, S&P/CLX IGPA Sizes, S&P/CLX INTER-10, and S&P/CLX IPSA	08/03/2018	Companies with the following characteristics are ineligible for index inclusion: <ul style="list-style-type: none"> <li>• Court Recovery defined as when a company files a recovery plan agreed upon together with its creditors with involvement from an arbitrator.</li> <li>• Negative Equity defined as companies with equity of less than zero at portfolio rebalancing based on the most recently filed financial statements.</li> <li>• Companies for which the primary objective for purchasing their stock is not to use their facilities (e.g. social clubs, sports clubs or schools, among others) that are exempt from the reporting requirements set forth in the third article of Law 18,045.</li> </ul>	The indices follow S&P DJI's standard policies and practices as detailed in S&P DJI's Equity Indices Policies & Practices Methodology.
Total Return Calculations:  S&P/CLX IGPA, S&P/CLX IGPA Sizes, S&P/CLX INTER-10, and S&P/CLX IPSA	08/03/2018	The total return indices employ the TR calculation methodology as detailed in section 3.5 Calculation of Total Return of Santiago Exchange Market Indices & DJSI Chile Selection and Calculation Methodology	S&P Dow Jones Indices calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P Dow Jones Indices. <ul style="list-style-type: none"> <li>• Price Return (PR) versions are calculated without adjustments for regular cash dividends.</li> <li>• Gross Total Return (TR) versions reinvest regular cash dividends at the close on the ex-date without consideration for withholding taxes.</li> <li>• Net Total Return (NTR) versions, if available, reinvest regular cash dividends at the close on the ex-date after the deduction of applicable withholding taxes.</li> </ul> <p>In the event there are no regular cash dividends on the ex-date, the daily performance of all three indices will be identical.</p>
Corporate Actions:  S&P/CLX IGPA, S&P/CLX IGPA Sizes, S&P/CLX INTER-10, and S&P/CLX IPSA	08/03/2018	The indices employ the corporate actions methodology detailed in section 4, Corporate Actions: Criteria and Methodology, in the <i>Santiago Exchange Market Indices &amp; DJSI Chile Selection and Calculation Methodology</i> .	The indices follow S&P DJI's standard corporate actions policies and practices as detailed in <i>S&amp;P DJI's Equity Indices Policies &amp; Practices Methodology</i> .

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