

Modification to the Methodology of the S&P Kensho New Economies Sector Rotator Index

NEW YORK, JULY 29, 2020: S&P Dow Jones Indices (“S&P DJI”) announces a change to the S&P Kensho New Economies Sector Rotator Index.

In order to align the index methodology with standard terms and definitions, S&P DJI is modifying the Sharpe Ratio definition as used in calculating the index. The table below summarizes the change.

Change	Previous	Methodology	Updated
Sharpe Ratio Definition	<p>Sharpe Ratio_[i] = $\frac{\mu_{[i]}}{\sigma_{[i]}}$</p> <p>where:</p> <p>$\mu_{[i]}$ = the average daily total returns of sector combination_[i] over the 126 trading day lookback period</p> <p>$\sigma_{[i]}$ = the standard deviation of daily total returns for sector combination_[i] over the 126 trading day lookback period</p>		<p>Sharpe Ratio_[i] = $\frac{\mu_{[i]} - R_f}{\sigma_{[i]}}$</p> <p>where:</p> <p>$\mu_{[i]}$ = the average daily total returns of sector combination_[i] over the 126 trading day lookback period</p> <p>$\sigma_{[i]}$ = the standard deviation of daily total returns for sector combination_[i] over the 126 trading day lookback period</p> <p>R_f = the risk-free rate, based on the 91-day US Treasury Bill Rate</p>

Please note that back-tested results indicate that the historical index composition would not have been impacted had this change been in effect since the index base date.

This change will be implemented in conjunction with the next rebalancing, which takes effect prior to the market open on Tuesday, January 5, 2021.

For more information about S&P DJI, 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 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