

Ossiam Emerging Markets Minimum Variance Index Series Consultation on Changes to the Methodology

AMSTERDAM, AUGUST 17, 2021: S&P DJI Netherlands B.V., a wholly owned subsidiary of S&P Dow Jones Indices LLC., (“S&P Dow Jones Indices” or “S&P DJI”) is the benchmark administrator for the Ossiam Emerging Markets Minimum Variance Index Series. The Ossiam Emerging Markets Minimum Variance Index Series is owned by Ossiam. S&P DJI is conducting a consultation with market participants on potential changes to the Ossiam Emerging Markets Minimum Variance Index Series methodology.

S&P DJI is considering a number of changes to align the Ossiam Emerging Markets Minimum Variance Index with its Reference Benchmark Index, the S&P/IFCI Composite (USD), relating to deletions and sanctions treatment, reducing the number of holidays in the current index calendar for daily calculation, and allowing enough time for reweighting to take place in cases of extended holidays. The tables below summarize the proposed changes:

Methodology	Additions and Deletions
Current	--
Proposed	<p>If a stock is deleted from the Reference Benchmark Index due to any of the below reasons, it will be removed from this index:</p> <ol style="list-style-type: none"> 1. Current China A-Share index constituents with a “Special Treatment” designation are removed with two-to-five business days’ notice. Once a stock’s “Special Treatment” designation is lifted, it will then need to re-qualify for index inclusion at the subsequent semi-annual index reconstitution. 2. Current China A-Shares index constituents that are removed from the Stock Connect Program and are no longer available to foreign investors will be removed from the index with two-to-five business days’ notice. 3. If the practical available limit (as defined by the known shares actually available to foreign investors) for current constituents from India is breached (falls to zero), or for a current China A-Share index constituent falls below 2%, then it will be removed from the index with two-to-five business days’ notice. 4. Current Taiwanese index constituents with an “Altered Trading Method” designation are removed with two-to-five business days’ notice. Once a stock’s “Altered Trading Method” designation is lifted, it will then need to re-qualify for index inclusion at the subsequent semi-annual index reconstitution. 5. Current constituents designated as “Administrative Issue” or “Investment Attention Issue” by the Korean Stock Exchange are removed with two-to-five business days’ notice. If the designation is removed, the security will then need to re-qualify for index inclusion at the subsequent semi-annual index reconstitution.

Methodology	Index Maintenance
Current	--
Proposed	Index constituents that are subject to sanctions will follow the same treatment as the Reference Benchmark Index.

Methodology		Monthly Reweighting	
Current	Outside of the rebalancing months, the index can also be reweighted on a monthly basis if India's country weight exceeds 18%, as of the Observation Date. The Observation Date is the second Friday of each month (or the immediately following Index Business Day if the second Friday is not an Index Business Day). The reweighting, if applicable, will become effective as of the close of the third Friday of the applicable month (or the immediately following Index Business Day if the third Friday is not an Index Business Day).		
	Index shares will be calculated using the closing prices as of the Reweighting Reference Date (i.e., as of the close of the Monday prior to the third Friday of the reweighting month (or the immediately following Index Business Day if that Monday is not an Index Business Day)).		
Proposed	Outside of the rebalancing months, the index can also be reweighted on a monthly basis if India's country weight exceeds 18%, as of the Observation Date. The Observation Date is the second Friday of each month (or the immediately following Index Business Day if the second Friday is not an Index Business Day). The reweighting, if applicable, will become effective as of the close of the Index Business Day that is five Index Business Days after the Observation Date.		
	Index shares will be calculated using the closing prices as of the Reweighting Reference Date (i.e., as of the close of the Index Business Day that is one Index Business Day after the Observation Date).		

Methodology		Appendix 1 – Defined Terms	
Current	"Index Business Day" means each day following the launch of an index on which the relevant exchange is scheduled to open for its regular trading session as shown in Table 1. If the index calendar refers to more than one exchange, a day will be considered an Index Business Day only when all relevant exchanges are scheduled to open for their regular trading sessions.		
Proposed	"Index Business Day" means each day following the launch of an index on which any index constituent exchange is scheduled to open for its regular trading session.		

Methodology		Portfolio Construction	
Current	Uses the current definition of Index Business Day.		
Proposed	Change the reference from Index Business Day to Index Optimization Business Day in the Portfolio Construction section, where: "Index Optimization Business Day" is defined as a day when all exchanges, as specified in Table 1, are scheduled to open for their regular trading sessions.		

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology changes, if adopted, on Friday, October 8, 2021.

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 change the Deletions section in line with the Reference Benchmark Index?
2. Do you agree with the proposal to align the treatment of sanctions with the Reference Benchmark Index?
3. Do you agree with the proposal to change the definition of Index Business Day?
4. Do you agree with the proposal to introduce the concept of "Index Optimization Business Day" for the purpose of Portfolio Construction?
5. If any of the proposed changes are adopted, do you agree with the proposed implementation date?

CONSULTATION

6. 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. Please respond to this survey by **September 15, 2021**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

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 SPDJI_Index_Governance@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 or is under any 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.

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