

## S&P Colombia Select Index Consultation on Constituent Selection and Weighting – Results

**MEXICO CITY, JULY 25, 2022:** S&P Dow Jones Indices (“S&P DJI”) has conducted a [consultation](#) with market participants on potential changes to the S&P Colombia Select Index.

To enhance index liquidity and diversification, S&P DJI will modify the index’s constituent selection and weighting rules. The tables below summarize the changes.

<b>Constituent Selection</b>	
Previous	At each rebalancing, all stocks in the index universe that pass the Eligibility Criteria are selected and form the index. If the number of eligible stocks is less than 14, the index universe is expanded <b>so that all stocks trading on the Colombia Stock Exchange are included in the review.</b>  In such a scenario, <b>the next most liquid non-component measured by six-month ADVT with a float-adjusted market capitalization of at least COP \$600 billion in the expanded universe is added until the target count of 14 is reached.</b>
Updated	At each rebalancing, all stocks in the index universe that pass the Eligibility Criteria are selected and form the index. If the number of eligible stocks is less than 14, the index universe is expanded to all stocks trading on the Colombia Stock Exchange that satisfy all the eligibility factors, <b>until the minimum stock count of 14 is met, giving priority to current constituents.</b>  If current constituents do not meet the criteria to fulfill the minimum 14 stock count or there are less than 14 stocks in the Expanded Universe that meet the eligibility criteria, <b>then the most liquid non-component stock measured by the average of their three-month, six-month, and 12-month ADVT is added until the target count of 14 is reached.</b>

<b>Constituent Weightings</b>	
Previous	The index is weighted by float-adjusted market capitalization, subject to the following diversification criteria employed at each rebalancing: <ol style="list-style-type: none"> <li>1. The weight of any company cannot exceed 15% in the index.</li> <li>2. The weight of any one GICS sector cannot exceed 40% of the index.</li> <li>3. The minimum initial portfolio size that can be turned over in a single day (based on 12-month ADVT) cannot be lower than COP \$60 billion. For companies with multiple share classes, the index share count is based on the combined float-adjusted shares outstanding and the combined 12-month ADVT is utilized to calculate basket liquidity.</li> </ol>
Updated	The index is weighted by float-adjusted market capitalization, subject to the following diversification criteria employed at each rebalancing: <ol style="list-style-type: none"> <li>1. The weight of any company cannot exceed 15% in the index.</li> <li>2. The weight of any one GICS sector cannot exceed 40% of the index.</li> <li>3. The weight cannot exceed <b>two times the stock’s liquidity weight.</b> Liquidity weight is calculated based on the company’s 12-month ADVT.</li> </ol>

S&P DJI will implement the previously described methodology changes in conjunction with the upcoming semi-annual rebalancing, which takes effect prior to the market open on **Monday, September 19, 2022.** The changes will first be visible to clients in pro-forma files beginning on **Friday, September 9, 2022.**

For more information about S&P Dow Jones Indices, please visit [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

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