

Constituent Weighting Methodology Update for Certain S&P Municipal Bond Indices

NEW YORK, MARCH 21, 2024: S&P Dow Jones Indices (“S&P DJI”) announces changes to the S&P Municipal Bond Indices listed below.

For the concentration limits to better reflect the underlying credit exposure and to better align with current industry practices, S&P DJI is updating the constituent weighting capping scheme to utilize the obligor. The table below summarizes the change.

Change	Methodology	
	Current	Proposed
Constituent Weighting: S&P National AMT-Free Municipal Bond Index	At each rebalancing, the index is market-value-weighted, subject to the following: <ul style="list-style-type: none"> No single issuer can exceed 25% of the weight of the index. Individual issuers that represent at least 5% of the index cannot in aggregate account for more than 50% of the weight of the index. 	At each rebalancing, market-value weight the index, subject to the following: <ul style="list-style-type: none"> No single obligor can exceed 25% of the weight of the index. Obligors that represent at least 5% of the weight of the index cannot in aggregate account for more than 50% of the total weight of the index.
Constituent Weighting: S&P Taxable Municipal Bond Index	At each rebalancing, the following constraints are applied: <ul style="list-style-type: none"> No single issuer can exceed 25% of the weight of the index. The aggregate weight of issuers with a weight of at least 5% cannot exceed 50% of the total weight of the index. 	At each rebalancing, apply the following constraints: <ul style="list-style-type: none"> No single obligor can exceed 25% of the weight of the index. Obligors that represent at least 5% of the weight of the index cannot in aggregate account for more than 50% of the total weight of the index.
Constituent Weighting: S&P Municipal Yield Index	At each rebalancing, the following constraints are applied: <ul style="list-style-type: none"> No single issuer can exceed more than 25% of the weight of the index. Issuers that represent at least 5% of the weight of the index cannot in aggregate account for more than 50% of the total weight of the index. 	At each rebalancing, apply the following constraints: <ul style="list-style-type: none"> No single obligor can exceed 25% of the weight of the index. Obligors that represent at least 5% of the weight of the index cannot in aggregate account for more than 50% of the total weight of the index.
Constituent Weighting: S&P Municipal Bond High Yield Diversified Index	At each rebalancing, constituent weights must conform to the following constraints: <ul style="list-style-type: none"> No single issuer can exceed 25% of the weight of the index. The aggregate weight of issuers with a weight of at least 3% cannot exceed 50% of the weight of the index. 	At each rebalancing, constituent weights must conform to the following constraints: <ul style="list-style-type: none"> No single obligor can exceed 25% of the weight of the index. Obligors that represent at least 3% of the weight of the index cannot in aggregate account for more than 50% of the total weight of the index.

IMPACT ANALYSIS

The change will impact the current weighting of the S&P New York AMT-Free Municipal Bond Index and S&P California AMT-Free Municipal Bond Index and related subindices. The change will not have

an impact on all remaining indices as the current composition is not breaching any of the relevant issuer/obligor weight thresholds either before or after the change.

For an analysis of the impact of the proposed change, please refer to the file available [here](#).

IMPLEMENTATION TIMING

S&P DJI will implement the changes in conjunction with the upcoming May 2024 rebalancing, which takes effect prior to the market open on **Wednesday, May 1, 2024**. Any changes to the implementation timing will be communicated accordingly.

Please note that the S&P National AMT-Free Municipal Bond Index, S&P Taxable Municipal Bond Index, S&P Municipal Yield Index, and S&P Municipal Bond High Yield Diversified Index methodologies on S&P DJI's website are being updated to reflect these changes.

For more information about S&P Dow Jones Indices, please visit www.spglobal.com/spdji.

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