

S&P/BMV Total Mexico, S&P/BMV IPC CompMx, and S&P/BMV IPC LargeCap, MidCap and SmallCap Indices Consultation on Weighting Criteria and Rebalancing

MEXICO CITY, MAY 17, 2024: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on potential changes to the S&P/BMV Total Mexico, S&P/BMV IPC CompMx, and the S&P/BMV IPC LargeCap, MidCap, and SmallCap Indices.

In order to improve diversification while standardizing the methodology across S&P/BMV indices, S&P DJI is proposing changes to the constituent weighting criteria and rebalancing.

The table below summarizes the proposed changes for the S&P/BMV Total Mexico and S&P/BMV IPC CompMx indices:

Proposed Changes	Methodology	
	Current	Proposed
Constituent Weightings	<p>The index is weighted based on Float-Adjusted Market Capitalization (FMC), subject to the following constraints:</p> <ul style="list-style-type: none"> • No single stock’s weight can exceed 25%. • The aggregate weight of the five largest stocks cannot exceed 60%. 	<p>The index is weighted based on FMC, subject to the following constraints:</p> <ul style="list-style-type: none"> • No single stock’s weight can exceed 15%. • The aggregate weight of the five largest stocks cannot exceed 45%. • Cap each stock at twice the minimum of FMC weight and liquidity weight (as measured by six-month median daily value traded (MDVT) as of the rebalancing reference date).
Rebalancing	<p>Index composition is reconstituted semi-annually, effective after the market close on the third Friday of June and December.</p> <p>The rebalancing reference date is the last business day of April and October, respectively.</p> <p>In addition, the index is reweighted outside of the semi-annual reconstitutions, effective after the market close on the third Friday of March and September.</p> <p>Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.</p>	<p>Index composition reconstitutes semi-annually, effective after the market close on the third Friday of March and September.</p> <p>The rebalancing reference date is the last business day of January and July, respectively.</p> <p>In addition, the index reweights outside of the semi-annual rebalancings, effective after the market close on the third Friday of June and December.</p> <p>Index shares calculate using closing prices on the Wednesday prior to the first Friday of the rebalancing month (reference prices) and are assigned to each stock to arrive at the weights determined on the rebalancing reference date.</p>

The table below summarizes the proposed changes for the S&P/BMV IPC LargeCap, MidCap and SmallCap Indices:

Proposed Changes	Methodology	
	Current	Proposed
Constituent Weightings	<p>Each index is weighted based on FMC, subject to the following constraints:</p> <ul style="list-style-type: none"> • No single stock's weight can exceed 25%. • The aggregate weight of the five largest stocks cannot exceed 60%. • The weight of any individual stock is restricted to a maximum weight calculated as each stock's six-month MDVT divided by the sum of the six-month MDVT for all stocks in the index, multiplied by two. If a stock's FMC weight exceeds the maximum weight, then that stock will be capped at its maximum weight and the excess weight will be redistributed proportionately to the remaining stocks that have not been capped. 	<p>The index is weighted based on FMC, subject to the following constraints:</p> <p><i>When index constituents are ≥ 17 (standard):</i></p> <ul style="list-style-type: none"> • No single stock's weight can exceed 15%. • The aggregate weight of the five largest stocks cannot exceed 45%. <p><i>When index constituents are ≤ 15 (relaxed):</i></p> <ul style="list-style-type: none"> • No single stock's weight can exceed 15%. • The aggregate weight of the five largest stocks cannot exceed 60%. <p>Buffer rule: The index stock count at each rebalancing determines which weighting rules apply. If the stock count is ≤ 15, the relaxed rule applies. If the stock count is ≥ 17, then the standard rule applies.</p>
Rebalancing	<p>Each index is rebalanced semi-annually, effective after the market close on the third Friday of June and December.</p> <p>The rebalancing reference date is the last business day of April and October, respectively.</p> <p>Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.</p>	<p>Index composition reconstitutes semi-annually, effective after the market close on the third Friday of March and September.</p> <p>The rebalancing reference date is the last business day of January and July, respectively.</p> <p>In addition, the index reweights outside of the semi-annual rebalancings, effective after the market close on the third Friday of June and December.</p> <p>Index shares calculate using closing prices on the Wednesday prior to the first Friday of the rebalancing month (reference prices) and are assigned to each stock to arrive at the weights determined on the rebalancing reference date.</p>

For additional information about the S&P/BMV Indices, please refer to the S&P/BMV Indices Methodology available [here](#).

IMPACT ANALYSIS

Please refer to the presentation available [here](#) for further background on the proposed changes, including information on the hypothetical impact of the proposed changes using data from the December 2018 rebalancing to the December 2023 rebalancing.

You may find additional data and analysis in our Client Resource Center www.spglobal.com/spdji/en/client-services/ which may be updated from time to time throughout the consultation. Additional data and analysis may also be made available upon request.

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology changes, if adopted, prior to the market open on **Monday, September 23, 2024**, in conjunction with the September annual

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rebalancing. If adopted, the changes will first be visible to clients in pro-forma files beginning on **Friday, September 13, 2024**.

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

1. **Do you agree with the proposed changes to the constituent weightings criteria for the S&P/BMV Total Mexico and S&P/BMV IPC CompMx indices?**
2. **Do you agree with the proposed changes to the rebalancing rule for the S&P/BMV Total Mexico and S&P/BMV IPC CompMx indices?**
3. **Do you agree with the proposed changes to the constituent weightings criteria for the S&P/BMV IPC LargeCap, MidCap and SmallCap Indices?**
4. **Do you agree with the proposed changes to the rebalancing rule for the S&P/BMV IPC LargeCap, MidCap and SmallCap Indices?**
5. **If any of the proposed changes are adopted, do you agree with the proposed implementation date?**
6. **Do you have any other comments or feedback regarding the proposed changes outlined above?**

Participation in this consultation is important as S&P DJI gathers information from various market participants to properly evaluate market participants' views and preferences. Please respond to this survey by **June 14, 2024**, as S&P DJI does not accept responses post the survey closure date. 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](#).

Please be advised that S&P DJI reviews and considers all feedback before a final decision is made. However, S&P DJI makes no guarantees nor is under any obligation to comply with any of the responses. The consultation may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, the changes(s) will be announced to clients and posted to the S&P DJI website with prior notice ahead of the effective date.

Thank you for taking the time to complete this survey.

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

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.

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FOR MORE INFORMATION:

S&P Dow Jones Indices

index_services@spglobal.com