

S&P Dow Jones Equity Indices’ Policy Update for Quarterly Share & IWF Review

NEW YORK, AUGUST 21, 2024: As part of the annual methodology review, S&P DJI is updating the ‘Non-Mandatory Share and IWF Updates’ section of the Equity Indices Policies & Practices Methodology in order to provide additional guidance regarding the Quarterly Share and IWF review policy for S&P DJI indices. The updated guidance is described in the table below:

Change	Methodology	
	Previous	Updated
Non-Material Share/IWF Changes – Quarterly Implementation	<p>All non-mandatory events not covered by the accelerated implementation rule (including but not limited to private placements, acquisition of private companies, and conversion of non-index share lines) will be implemented quarterly coinciding with the third Friday of the third month in each calendar quarter.</p> <p>In addition, events that were not implemented under the accelerated implementation rule but were found to have been eligible, (e.g., due to lack of publicly available information at the time of the event) are implemented as part of a quarterly rebalancing.</p> <p>IWF changes will only be made at the quarterly review if the change represents at least 5% of total current shares outstanding and is related to a single corporate action that did not qualify for the accelerated implementation rule, regardless of whether there is an associated share change.</p> <p>Quarterly share change events resulting from the conversion of derivative securities, acquisitions of private companies, or acquisitions of non-index companies that do not trade on a major exchange are considered to be available to investors unless there is explicit information stating that the new owner is a strategic holder.</p>	<p>All non-mandatory events not covered or implemented via the accelerated implementation rule (including but not limited to private placements, acquisition of private companies, and conversion of non-index share lines) are reviewed quarterly, effective after the close of the third Friday of the third month in each calendar quarter and as per below.</p> <p>Share Updates. At the quarterly review, shares outstanding are updated to the latest available information as of the rebalancing reference date.</p> <p>IWF Updates. At the quarterly review, IWF changes are only made if there is a share change of at least 5% of total current shares outstanding and if the adjusted IWF absolute change is at least 5%, with IWF adjustments limited to the extent necessary to help reflect the corresponding share change.</p> <p>For quarterly share change events, unless there is explicit information stating that the new shares are not available to the market, shares are generally considered to be available to all investors and reflected in the IWF. Events such as conversion of derivative securities, acquisitions of private companies, or acquisitions of non-index companies that do not trade on a major exchange are generally implemented as described above.</p>

Change	Methodology	
	Previous	Updated
Rebalancing Guidelines – Share/IWF Reference Date & Freeze Period	During the share/IWF freeze period shares and IWFs are not changed, and the accelerated implementation rule is suspended, except for mandatory corporate action events (such as merger activity, stock splits, and rights offerings). The suspension includes all changes that qualify for accelerated implementation and would typically be announced or effective during the share/IWF freeze period. At the end of the freeze period all suspended changes will be announced on the third Friday of the rebalancing month and implemented five business days after the quarterly rebalancing effective date.	During the share/IWF freeze period, shares and IWFs are not changed and the accelerated implementation rule is suspended, except for mandatory corporate action events (such as merger activity, stock splits, and rights offerings). The suspension includes all changes that qualify for accelerated implementation and would typically be announced or effective during the share/IWF freeze period. At the end of the freeze period, all suspended changes will be announced on the third Friday of the rebalancing month and implemented five business days after the quarterly rebalancing effective date. For these non-mandatory events, S&P DJI uses shares and IWF data as of the upcoming rebalancing effective date to calculate the size of the event and in turn assess if the event qualifies the Accelerated Implementation rule.

IMPLEMENTATION TIMING

These updates become effective prior to the market open on **Monday, September 23, 2024**, as part of the quarterly review.

Please note that this was the result of the regular annual methodology review and is reflected in the republished S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology on S&P DJI's website.

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

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