

S&P Kensho and S&P Kensho Moonshots Indices Corporate Action Treatment Methodology Update

NEW YORK, AUGUST 26, 2024: S&P Dow Jones Indices (“S&P DJI”) announces changes to the S&P Kensho Indices and S&P Kensho Moonshots Index.

In order to align with standard corporate action practices and to improve transparency, S&P DJI is updating the corporate action treatment of the S&P Kensho Indices and S&P Kensho Moonshots Index. The table below details the changes.

S&P Kensho Indices

		Methodology	
Change	Previous		Updated
Spin-Offs	The spin-off is added to all the indices of which the parent is a constituent, at a zero price at the market close of the day before the ex-date (with no divisor adjustment). The parent company and spin-off are then analyzed to determine if they are still meeting the Index Eligibility of the relevant indices. If it is determined that a company is not eligible due to a spin-off, the company is removed after at least one day of regular way trading (with a divisor adjustment).	All spin-offs are added to and remain in the indices of which the parent is a constituent until the subsequent rebalancing.	

S&P Kensho Indices and S&P Kensho Moonshots Index

		Methodology	
Change	Previous		Updated
Mergers and Acquisitions	In cases of mergers involving two index constituents, the merged company deemed to be the acquirer in the transaction remains in the index, provided it meets all eligibility requirements. If the acquisition payment type is stock-based, the acquirer's index shares increase proportionately to the terms of the transaction. If the acquisition payment type is not stock-based, the acquirer's index shares remain at pre-merger levels. When a merger or acquisition of a constituent by a non-constituent occurs, the surviving entity is analyzed to determine if the characteristics of the surviving entity are expected to remain aligned with the index objective. This may result in the surviving company replacing the constituent. This is applicable if the acquisition payment type is cash or stock-based. Additional information will be announced in the daily corporate events file (.SDE). When the acquiring company is added to an index that the target company was a constituent of, the acquirer's index shares are determined using closing prices on the announcement date.	In cases of mergers involving two index constituents, the merged company deemed to be the acquirer in the transaction remains in the index, provided it meets all eligibility requirements. If the acquisition payment type is stock-based, the acquirer's index shares increase proportionately to the terms of the transaction. If the acquisition payment type is not stock-based, the acquirer's index shares remain at pre-merger levels.	

IMPLEMENTATION TIMING

These changes will be implemented for events announced on or after **Monday, September 2, 2024**.

Please note that the S&P Kensho Indices and S&P Kensho Moonshots 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.

ABOUT S&P DOW JONES INDICES

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S&P Dow Jones Indices
index_services@spglobal.com

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