

**S&P Dow Jones
Indices**

A Division of **S&P Global**

Global Industry Classification Standard (GICS®) *Methodology*

March 2023

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Introduction

Overview

The Global Industry Classification Standard (GICS[®]) is specifically designed to consistently classify companies globally, in both developed and developing economies.

In 1999, S&P Dow Jones Indices and MSCI, two leading global index providers, jointly developed GICS to establish a global standard for categorizing companies into sectors and industries. GICS was developed in response to the global financial community's need for one complete, consistent set of global sector and industry definitions that enable comparisons by company, sector, and industry across countries, regions, and globally.

The GICS classification system consists of 11 sectors, 25 industry groups, 74 industries, and 163 sub-industries. The current GICS sectors are:

- Energy
- Materials
- Industrials
- Consumer Discretionary
- Consumer Staples
- Health Care
- Financials
- Information Technology
- Communication Services
- Utilities
- Real Estate

GICS Methodology

GICS Classification

GICS classifies a company according to its principal business activity. To make this determination, S&P Dow Jones Indices and MSCI use revenue as the key measure identifying a company's principal business activity. However, earnings and market perception are also recognized as important and relevant for classification purposes and are taken into account during the review process.

A company is classified into the sub-industry whose definition most closely describes the business activities that generate the majority of the company's revenues. A company engaged in two or more substantially different business activities, none of which contributes 60% or more of revenues, is initially classified into the sub-industry that provides the majority of both the company's revenues and earnings. To prevent excessive turnover, at least 60% of revenue by a different business activity is the threshold generally needed to consider a change from a current GICS assignment. When a company has business activities in three or more sectors, none of which contributes a majority of revenues, the company is classified either into the Industrial Conglomerates sub-industry (Industrials Sector) or the Multi-Sector Holdings sub-industry (Financials Sector).

Publicly available information is used when assigning a company's classification, including Annual Reports, 10-Ks, company websites, and other official filings.

In the case of a new company, the initial classification is based primarily on the description of the company's activities and pro-forma results as given in the prospectus.

If a company's subsidiary files separate financials to its reporting government agency, that subsidiary is considered a separate entity and classified independently under the GICS methodology. Equity securities directly linked to a company have the same classification as the company.

GICS classifications are not assigned to mutual funds, closed-end funds, bonds, or Exchange Traded Funds.

GICS Structure

GICS assigns each company to a sub-industry, and to a corresponding industry, industry group, and sector, according to the definition of its principal business activity. Since the classification is strictly hierarchical, at each of the four levels a company can only belong to one grouping.

- 11 Sectors
- 25 Industry Groups
- 74 Industries
- 163 Sub-Industries

GICS classifications can be presented in either text or numeric formats. The complete GICS classification for each company is an 8-digit code with text description. The hierarchical design of the 8-digit coding system allows for easy transition between GICS tiers.

Examples:

Sector:	Consumer Discretionary (GICS code: 25)
Industry Group:	Consumer Services (GICS code: 2530)
Industry:	Hotels, Restaurants & Leisure (GICS code: 253010)
Sub-industry:	Casinos & Gaming (GICS code: 25301010)
Sector:	Financials (GICS code: 40)
Industry Group:	Diversified Financials (GICS code: 4020)
Industry:	Capital Markets (GICS code: 402030)
Sub-industry:	Investment Banking & Brokerage (GICS code: 40203020)

For the most recent GICS map and definitions, please refer [here](#).

GICS Maintenance

GICS Review

A company's GICS classification is reviewed at least annually and is also under constant surveillance for corporate actions potentially impacting classification.

In general, a company's GICS classification changes whenever there is a major corporate action that redefines a company's primary business activity. At a minimum, annual reviews are conducted to ensure that a company has not redefined its primary business activity through a series of smaller events. To provide a stable industry classification, changes to a company's classification are minimized by disregarding temporary fluctuations in the results of a company's different business activities.

GICS reviews also occur upon client request.

GICS Structure Review

S&P Dow Jones Indices and MSCI review the GICS structure on an annual basis, which can include Advisory Panels or open consultations with market participants as needed. The objective is to ensure that the GICS structure continues to accurately represent global equity markets, enabling seamless global comparisons by industry.

Changes to the GICS Structure

The four-tier GICS structure accurately reflects equities in today's global investment environment yet is flexible enough to capture tomorrow's developments. The eight-digit GICS coding system is designed to adapt easily to the changing investment world. As the global economy changes, sectors, industry group, industries, and sub-industries can be added or divided.

Chronology of Events

Date	GICS Event
August 1999	GICS introduced. GICS comprised of 10 sectors, 23 industry groups, 59 industries and 123 sub-industries.
March 2002	The total number of sub-industries in the GICS structure reduced to 122 from 123. Name and description changes to other GICS categories. GICS comprised of 10 sectors, 23 industry groups, 59 industries and 122 sub-industries.
April 2003	Changes included the creation of new industry groups, industries and sub-industries, the merger of some existing sub-industries and significant name and definition changes to others. GICS comprised of 10 sectors, 24 industry groups, 62 industries and 132 sub-industries.
April 2004	Changes limited to definition changes for some of the GICS sub-industries. GICS comprised of 10 sectors, 24 industry groups, 62 industries and 132 sub-industries.
April 2005	Changes included renaming and redefining one industry group, creating two industries and seven sub-industries, and making significant name and definition changes to others. GICS comprised of 10 sectors, 24 industry groups, 64 industries and 139 sub-industries.
April 2006	Changes included renaming one industry group, creating four new industries and ten new sub-industries. Changes also included discontinuing one industry and two sub-industries, and making name and definition changes to others. GICS comprised of 10 sectors, 24 industry groups, 67 industries and 147 sub-industries.
August 2008	Changes included renaming one industry group, creating one new industry and eight new sub-industries. Changes also included discontinuing one sub-industry, and making name and definition changes to others. GICS comprised of 10 sectors, 24 industry groups, 68 industries and 154 sub-industries.
June 2010	Changes were made to definitions only. GICS comprised of 10 sectors, 24 industry groups, 68 industries and 154 sub-industries.
February 2014	Changes included renaming four industries and discontinuing one, adding six new sub-industries and discontinuing 4, and making name and definition changes to others. GICS comprised of 10 sectors, 24 industry groups, 67 industries, and 156 sub-industries.
September 2016	Changes included the creation of a Real Estate sector, as well as adding one industry group, three industries, and 15 sub-industries. One industry group was discontinued, along with two industries and 14 sub-industries. One industry and one sub-industry were renamed, and there were two definition changes. GICS comprised of 11 sectors, 24 industry groups, 68 industries, and 157 sub-industries.
September 2018	Changes included the renaming of the Telecommunication Services Sector to Communication Services, removing the Media Industry Group from Consumer Discretionary and adding the Media Industry Group to the Communication Services Sector under the name Media & Entertainment. Under the Media & Entertainment Industry Group, three Industries were created, with seven Sub-Industries. Two Sub-Industries from Information Technology were discontinued and one was created. Several definitions were updated. GICS comprised of 11 sectors, 24 industry groups, 69 industries, and 158 sub-industries.
March 2023	Changes included the discontinuation of the Internet & Direct Marketing Retail Sub-Industry, the combination of the General Merchandise Stores and Department Stores Sub-Industries into the newly created Broadline Retail Sub-Industry, the discontinuation of the Data Processing & Outsourced Services Sub-Industry from Information Technology and the creation of a Sub-Industry of the same name in the Industrials Sector, the creation of a Sub-Industry in the Financials Sector for Transactions & Payment Processing Services, the

	discontinuation of the Thrifts & Savings Bank Sub-Industry and the creation of the Commercial & Residential Mortgage Finance Sub-Industry, as well as updates to the REITs Industry Groups, and the split of the Trucking Sub-Industry into two new Sub-Industries.
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Detailed information on changes to the GICS structure can be found on S&P Dow Jones Indices' Web site at www.spglobal.com/spdji/.

GICS Governance

GICS Methodology Committee

The GICS methodology and structure fall under the overall supervision of the GICS Operations Committee, with committee members from both S&P Dow Jones Indices and MSCI.

S&P Dow Jones Indices and MSCI consider information about changes to the GICS structure and related matters to be potentially market moving and material. Therefore, all Committee discussions are confidential.

For more information on GICS, please contact index_services@spglobal.com.

Disclaimer

Performance Disclosure/Back-Tested Data

Where applicable, S&P Dow Jones Indices and its index-related affiliates (“S&P DJI”) defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index’s Launch Date are considered back-tested. S&P DJI defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company’s public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed “Date of introduction”) is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index’s public release date.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Information presented prior to an index’s launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate certain ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using “Backward Data Assumption” (or pulling back) of ESG data for the calculation of back-tested historical performance. “Backward Data Assumption” is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as “product involvement”) were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on “Backward Data Assumption” please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific

data points and relevant time period for which backward projected data was used. Index returns shown do not represent the results of actual trading of investable assets/securities. S&P DJI maintains the index and calculates the index levels and performance shown or discussed but does not manage any assets.

Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

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