

## **S&P/BMV China SX20 Index Consultation on the Index Universe, Constituent Weightings, and Constituent Replacement - Results**

**MEXICO CITY, FEBRUARY 19, 2021:** S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with market participants on potential changes to the S&P/BMV China SX20 Index. To ensure the target constituent count of 20 is satisfied, S&P DJI is expanding the index universe according to the proposed Option I. In addition, S&P DJI is changing the constituent weighting scheme according to the proposed Option III and is adding a constituent replacement rule.

The tables below summarize the changes.

<b>Index Universe</b>	
<b>Current</b>	The Index Universe consists of all stocks of Chinese companies that trade on NYSE and Nasdaq in the form of level II or level III ADRs and ADSs, that are also listed on the BMV’s SIC (International Quotation System).
<b>Updated</b>	The Index Universe consists of all stocks domiciled in China listed on the BMV’s SIC (International Quotation System) and listed in the U.S. on U.S. exchanges (NYSE, Nasdaq, and OTC).

<b>Constituent Weightings</b>	
<b>Current</b>	The index is weighted based on FMC, subject to a single stock weight cap of 10%.
<b>Updated</b>	The index is weighted based on FMC, subject to the following constraints: <ul style="list-style-type: none"> <li>• No single stock’s weight can exceed 15%, and</li> <li>• The aggregate weight of the five largest stocks cannot exceed 60%.</li> </ul>

<b>Constituent Replacement</b>	
<b>Current</b>	Except for spin-offs, there are no intra-rebalancing additions.
<b>Updated</b>	<p>Between semi-annual rebalancings, index additions occur only in response to an index deletion. When an index deletion occurs, an addition is made according to the following process:</p> <p>The eligible non-constituent with the lowest joint Marketability Factor and VWAP FMC ranking over the prior six-month period is selected and added to the index. The effective date of the addition is the same date as the deletion effective date. The Marketability Factor reference date for additions is the same reference date used for the latest semi-annual rebalancing. The VWAP FMC reference date is seven business days prior to the addition effective date.</p> <p>In cases where two or more non-constituents share the same joint ranking, the stock with the highest VWAP FMC is selected.</p> <p>Except for spin-offs (which are added at a zero price), an addition made using the constituent replacement rule is added to the index with the same AWF as the largest AWF currently represented in the index. If using the largest AWF in the index would result in the addition’s weight being higher than the maximum stock weight as of the date the addition is announced, the addition is added to the index with index shares commensurate with the index shares of the stock capped at the maximum weight using the closing prices on the date the addition is announced. In such cases, index shares for current constituents remain constant.</p>

The selection process for the March 2021 rebalancing uses a reference date of January 31, 2021. The updated methodology rules will be applied to the index universe during the selection process as of the reference date. To ensure the target constituent count of 20 is satisfied, replacement additions will be made to the index. The replacement additions are effective **Monday, March 1, 2021**.

Please note that the S&P/BMV Indices Methodology on S&P DJI's website is being updated to reflect the changes.

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