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S&P Dow Jones Indices (S&P DJI) and the Mexican Stock Exchange (Bolsa Mexicana de Valores BMV) announce methodology changes to the BMV Indices

MEXICO, May 25, 2017: S&P Dow Jones Indices (S&P DJI) and the Mexican Stock Exchange (BMV) today announced a change to the way total return indices are calculated. Effective on September 1, 2017, the new total return calculation will be as follows:

New Total Return Calculation:

The total return index calculation is derived from the price return index and daily total dividend returns. The first step is to calculate the total dividend paid on a given day and convert this figure into points of the price index:

$$TotalDailyDividend = \sum_i Dividend_i * Shares_i$$

Where Dividend is the dividend per share paid for stock i and Shares are the shares. This is done for each trading day. Dividend i is generally zero except for when a company has a dividend payment. Some stocks do not pay a dividend and Dividend is always zero. This is converted to index points by dividing by the divisor for the underlying price index:

$$IndexDividend = \frac{TotalDailyDividend}{Divisor}$$

The next step is to apply the usual definition of a total return from a financial instrument to the price return index.

$$Total\ Return = \left(\frac{P_t + D_t}{P_{t-1}} \right) - 1$$

and

$$DTR_t = \left(\frac{IndexLevel_t + IndexDividend_t}{IndexLevel_{t-1}} - 1 \right)$$

P = Closing price per share on day t or $t-1$

D = Dividend per share on day t

IndexLevel = Index level for the price return index on day t or t-1

where the Total Return and the Daily Total Return for the index (DTR) is stated as a decimal. The DTR is used to update the total return index from one day to the next:

$$Total\ Return\ Index_t = (Total\ Return\ Index_{t-1}) * (1 + DTR_t)$$

For all total return intraday index calculations, an index dividend will be applied at the market open on the ex day to properly reflect the dividend adjustment.

For more information on the new total return calculation methodology, please refer to the S&P Dow Jones Indices' Index Mathematics Methodology document (located [here](#) under the section called 'Total Return Calculations'). This change will have no impact on the price return index calculation.

S&P Dow Jones Indices

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About BMV

BMV Group is a fully integrated Exchange Group that operates cash, listed derivatives and OTC markets for multiple asset classes, including equities, fixed income and exchange traded funds, as well as custody, clearing and settlement facilities and data products for the local and international financial community.

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