

S&P/BMV China SX20 Index Consultation on Constituent Selection – Results

MEXICO CITY, FEBRUARY 27, 2023: 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.

S&P DJI will use the six-month median daily value traded (“MDVT”) instead of the Marketability Factor in order to apply a more effective liquidity screening as well as align the methodology with other S&P DJI Indices. The proposed constituent selection buffer rules will not be adopted. The tables below summarize the changes:

Liquidity Criteria	
Previous	Marketability Factor. All stocks in the Selection Universe are ranked in descending order based on their average Global Marketability Scores ¹ over the six-month period prior to the rebalancing reference date.
Updated	Liquidity. All stocks in the Selection Universe are ranked in descending order based on their local U.S. listing six-month Median Daily Value Traded (MDVT) ² prior to the rebalancing reference date.

Constituent Selection	
Previous	<ul style="list-style-type: none"> • After rankings for Marketability Factor and VWAP FMC have been assigned to all stocks in the Selection Universe, a joint rating is calculated for each stock by adding up the two rankings. • The 20 stocks with the lowest joint ratings are selected and form the index. • In cases where two or more stocks have the same joint rating, the stock with the highest VWAP FMC is selected.
Updated	No changes. The rules remain the same.

In addition, S&P DJI is also modifying the treatment of the Multiple Share Classes in the Selection Universe section to account for the change from Marketability Factor to six-month MDVT. The table below details this change.

Change	Methodology	
	Previous	Updated
Selection Universe.	Multiple Share Classes. If a company has multiple share classes, the most liquid share class, based on Global Marketability Scores, is selected.	Multiple Share Classes. If a company has multiple share classes, the share class with the highest local U.S. listing six-month Median Daily Value Traded, is selected.

IMPLEMENTATION TIMING

S&P DJI will implement the changes in conjunction with the upcoming rebalancing, which takes effect prior to the market open on **Monday, March 20, 2023**. The changes will first be visible to clients in pro-forma files beginning on **Friday, March 10, 2023**.

¹ Global Marketability Scores are calculated with the stock trading on the BMV. For more information on Marketability Scores, please refer to the BMV Marketability Index Methodology available at www.bmv.com.mx/docs-pub/INDICES/CTEN_INOT/BMV_MARKETABILITY_INDEX_METHODODOGY.PDF

² Local monthly median daily value traded (MDVT) is calculated with the stock trading of the local U.S. listing, i.e., using global liquidity.

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

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