S&P Dow Jones Indices

A Division of S&P Global

S&P/TSX Indices Consultation

TORONTO, OCTOBER 30, 2017: This consultation is now closed. For results, please click here.

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

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CONSULTATION

S&P/TSX Indices Consultation

TORONTO, JULY 20, 2017: S&P Dow Jones Indices is conducting a consultation with members of the investment community on potential changes to the S&P/TSX Indices. Two proposed changes are under consideration:

Index	Proposed Change	Description
S&P/TSX Composite Index	Change the minimum float-adjusted market capitalization to a fixed amount.	Currently for addition to the index, the float-adjusted market capitalization of a security must represent at least 0.05% of the index weight, after including the Quoted Market Value (QMV) of that security in the total float-adjusted market capitalization of the index. At the June 2017 rebalancing, 0.05% of the index represented approximately C$ 1.0 billion. S&P Dow Jones Indices is proposing to instead change the minimum float-adjusted market capitalization required for addition to the index to a fixed amount.
All S&P/TSX Indices	Lengthen the three-day VWAP Period.	Currently, the market capitalization of each security is calculated based on the volume weighted average price (VWAP) over the last three trading days of the month-end prior to the quarterly review. S&P Dow Jones Indices is proposing to instead lengthen the VWAP period. This change will apply to all S&P/TSX Indices.

The following table details the impact on the S&P/TSX Composite Index of changing the minimum float-adjusted market capitalization to a fixed amount.

S&P/TSX Composite Index - As of the June 2017 Rebalance	
Number of constituents	249
Size to get added to the index	5 bps - around $1.01 Billion
Size to get removed from the index	2.5 bps - around $500 Million
Scenario #1 - $800 Million in Float Market Cap for addition and $400 Million in Float Market Cap for deletion	
Number of additional constituents	10 (7 adds + 3 deletes in June 2017 would remain in the index)
Number of constituents	259
Average size of the adds	$888.6 million
Total Size of the adds	$6.22 Billion
Relative weight of the smallest add	3.90 bps
Relative weight of the smallest constituents	1.95 bps
Scenario #2 - $600 Million in Float Market Cap for addition and $300 Million in Float Market Cap for deletion	
Number of additional constituents	25 (21 adds + 4 deletes in June 2017 would remain in the index)
Number of constituents	274
Average size of the adds	$747.8 million
Total Size of the adds	$15.7 Billion
Relative weight of the smallest add	2.86 bps
Relative weight of the smallest constituent	1.75 bps
Scenario #3 - $500 Million in Float Market Cap for addition and $250 Million in Float Market Cap for deletion	
Number of additional constituents	48 (44 adds + 4 deletes in June 2017 would remain in the index)
Number of constituents	297
Average size of the adds	$640.7 million
Total Size of the adds	$28.1 Billion
Relative weight of the smallest add	2.38 bps
Relative weight of the smallest constituent	1.75 bps

QUESTIONS:

1. **Do you agree with the proposal to change the minimum float-adjusted market capitalization of the S&P/TSX Composite Index to a fixed amount?**
    a. **If yes, what would be the preferred amount (C$ 1 billion, C$ 800 million, C$ 600 million, or C$ 500 million)?**
2. **Do you agree with the proposal to lengthen the three-day VWAP period?**
    a. **If yes, what would be the preferred period (10-day VWAP or one-month VWAP)?**
3. **Do you have any other comments or feedback regarding the proposed changes outlined above?**

Your participation in this consultation is important as we gather information from various market participants in order to properly evaluate your views and preferences. Your responses will be kept confidential. Please respond to this survey by **August 18, 2017.** After this date, S&P Dow Jones Indices will no longer accept survey responses. Prior to the Index Committee's final review, S&P Dow Jones Indices will consider the issues and may request clarifications from respondents as part of that review. Alternative options to the proposed questions after the deadline require that the consultation be re-opened to the public.

To participate in this consultation, please respond to S&P Dow Jones Indices at index_services@spglobal.com.

Please be advised that all comments from this consultation will be reviewed and considered before a final decision is made; however, S&P Dow Jones Indices makes no guarantees or is under any obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If S&P Dow Jones Indices decides to change the index methodology, an announcement will be posted on our website.

Thank you for taking the time to complete this survey.

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

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than based on any other provider in the world. With over 1,000,000 indices and more than 120 years of experience constructing innovative and transparent solutions, S&P Dow Jones Indices defines the way investors measure and trade the markets.

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FOR MORE INFORMATION:

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