

S&P/JPX Dividend Aristocrats Index Consultation

TOKYO, SEPTEMBER 21, 2017: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with members of the investment community on a potential change to the S&P/JPX Dividend Aristocrats index.

Semi-Annual Review

Currently, index constituents are screened at the semi-annual review to ensure the continuous payment of dividends. Any index constituent which has omitted or significantly reduced its most recent dividend is removed from the index with no replacement. Index constituents are then reweighted by trailing dividend yields to achieve a relatively high yield.

In order to reduce unnecessary turnover at the semi-annual review, S&P DJI is proposing that if a stock is removed from the index or if the weights of the index constituents require realignment to ensure compliance with the weighting criteria, then the excess weight would be redistributed among other stocks based on current constituent weights instead of using the dividend yields.

Impact Analysis

The turnover from the 2016 and 2017 semi-annual reviews, as well as the one-way turnover that would have resulted if the proposed methodology change had been applied at those time, are detailed below.

Semi-Annual Review	Actual Turnover Using Current Methodology	One-way Turnover Using Proposed Methodology
2016	11.21%	0.00%
2017	12.30%	0.00%

QUESTION:

Do you agree with the proposed change to redistribute the excess weight based on current index weights instead of using the dividend yields?

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 **October 20, 2017**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee’s final review, S&P DJI 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 DJI 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 DJI 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 DJI 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 products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has become home to over 1,000,000 indices across the spectrum of asset classes that have helped define the way investors measure and trade the markets.

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FOR MORE INFORMATION:

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