

S&P Colombia Select Index Consultation on Constituent Selection and Weighting

MEXICO CITY, JUNE 17, 2022: In accordance with the [results](#) of the S&P Colombia Select Index Consultation on Eligibility Criteria and Index Construction published on June 17, 2022, S&P Dow Jones Indices (“S&P DJI”) is conducting a follow-up consultation with market participants on potential changes to the S&P Colombia Select Index.

To enhance index liquidity and diversification, S&P DJI is considering modifying the index’s constituent selection and weighting rules. The tables below summarize the proposed changes.

Constituent Selection	
Current	At each rebalancing, all stocks in the index universe that pass the Eligibility Criteria are selected and form the index. If the number of eligible stocks is less than 14, the index universe is expanded so that all stocks trading on the Colombia Stock Exchange are included in the review. In such a scenario, the next most liquid non-component measured by six-month ADVT with a float-adjusted market capitalization of at least COP \$600 million in the expanded universe is added until the target count of 14 is reached.
Proposed	At each rebalancing, all stocks in the index universe that pass the Eligibility Criteria are selected and form the index. If the number of eligible stocks is less than 14, the index universe is expanded to all stocks trading on the Colombia Stock Exchange that satisfy all the eligibility factors, until the minimum stock count of 14 is met, giving priority to current constituents. If current constituents do not meet the criteria to fulfill the minimum 14 stock count or there are less than 14 stocks in the Expanded Universe that meet the eligibility criteria, then the most liquid non-component stock measured by the average of their three-month, six-month, and 12-month ADVT is added until the target count of 14 is reached.

Constituent Weightings	
Current	The index is weighted by float-adjusted market capitalization, subject to the following diversification criteria employed at each rebalancing: <ol style="list-style-type: none"> 1. The weight of any company cannot exceed 15% in the index. 2. The weight of any one GICS sector cannot exceed 40% of the index. 3. The minimum initial portfolio size that can be turned over in a single day (based on 12-month ADVT) cannot be lower than COP \$60 billion. For companies with multiple share classes, the index share count is based on the combined float-adjusted shares outstanding and the combined 12-month ADVT is utilized to calculate basket liquidity.
Proposed	The index is weighted by float-adjusted market capitalization, subject to the following diversification criteria employed at each rebalancing: <ol style="list-style-type: none"> 1. The weight of any company cannot exceed 15% in the index. 2. The weight of any one GICS sector cannot exceed 40% of the index. 3. The weight cannot exceed three times the stock’s liquidity weight. Liquidity weight is calculated based on the company’s 12-month ADVT.

IMPACT ANALYSIS

For an analysis of the impact of the proposed changes, please refer to the file available [here](#).

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology changes, if adopted, in conjunction with the upcoming semi-annual rebalancing, which takes effect prior to the market open on **Monday, September 19, 2022**. If adopted, the changes will first be visible to clients in pro-forma files beginning on **Friday, September 9, 2022**.

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

1. **Do you agree with the proposal to modify the Constituent Selection rules?**
 - Yes, change to the proposed rules.
 - Yes, change to a different set of rules (please specify in Question 4 below).
 - No, keep the current rules.
2. **Do you agree with the proposal to modify the Constituent Weightings rules?**
 - Yes, change to the proposed rules.
 - Yes, change to a different set of rules (please specify in Question 4 below).
 - No, keep the current rules.
3. **Should any of the proposed methodology changes be adopted, do you agree with the proposed implementation date?**
4. **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 to properly evaluate your views and preferences. Please respond to this survey by **July 15, 2022**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

To participate in this consultation, please visit the online survey available [here](#).

For further information about this consultation, please contact S&P Dow Jones Indices at SPDJI_Index_Governance@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.spglobal.com/spdji.

CONSULTATION

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 been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spglobal.com/spdji.

FOR MORE INFORMATION:

S&P Dow Jones Indices
index_services@spglobal.com