

# **S&P Global 1200** *Methodology*

December 2017

# Table of Contents

Introduction	3
<b>Highlights and Index Family</b>	<b>3</b>
Eligibility Criteria	4
<b>S&amp;P Global 1200</b>	<b>4</b>
<b>S&amp;P Global 1200 ex Canada</b>	<b>4</b>
<b>S&amp;P Global 100</b>	<b>4</b>
Index Construction	5
<b>Constituent Weighting</b>	<b>5</b>
<b>Index Calculations</b>	<b>5</b>
Index Maintenance	6
<b>Timing of Changes</b>	<b>6</b>
<b>Corporate Actions</b>	<b>6</b>
<b>Currency of Calculation</b>	<b>6</b>
<b>Exchange Rate</b>	<b>6</b>
<b>Base Date and History Available</b>	<b>7</b>
Index Data	8
<b>Calculation Return Types</b>	<b>8</b>
Index Governance	9
<b>Index Committee</b>	<b>9</b>
Index Policy	10
<b>Announcements</b>	<b>10</b>
<b>Pro-forma Files</b>	<b>10</b>
<b>Holiday Schedule</b>	<b>10</b>
<b>Rebalancing</b>	<b>10</b>
<b>Unexpected Exchange Closures</b>	<b>10</b>
<b>Recalculation Policy</b>	<b>10</b>
<b>Real-Time Calculation</b>	<b>11</b>
<b>Contact Information</b>	<b>11</b>

Index Dissemination	12
<b>Tickers</b>	<b>12</b>
<b>FTP</b>	<b>12</b>
<b>Web site</b>	<b>12</b>
Disclaimer	13

# Introduction

## Highlights and Index Family

The S&P Global 1200 is composed of seven component indices representing seven distinct regions. The index includes the largest and most liquid stocks from around the world and is weighted by float-adjusted market capitalization.

**Component Indices.** The S&P Global 1200 is composed of the following regional component indices:

- S&P 500
- S&P Europe 350
- S&P/TSX 60
- S&P/TOPIX 150
- S&P/ASX All Australian 50
- S&P Asia 50
- S&P Latin America 40

*For more information on a regional component index, please refer to its methodology document available at [www.spdji.com](http://www.spdji.com).*

**Sub-Indices.** Sub-indices of the S&P Global 1200 consist of the following:

1. **S&P International 700.** The index covers the non-U.S. segment of the global equity markets. It is the S&P Global 1200 excluding the S&P 500 component.
2. **S&P Global 100.** The index measures the performance of 100 multinational companies. The index includes 100 companies from the S&P Global 1200 whose businesses are global in nature and that derive a substantial portion of their operating income from multiple countries.
3. **S&P Global 1200 ex Canada.** The index is composed of the headline S&P Global 1200, excluding the S&P/TSX 60.

This methodology was created by S&P Dow Jones Indices to achieve the aforementioned objective of measuring the underlying interest of each index governed by this methodology document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of S&P Dow Jones Indices so that the index continues to achieve its objective.

# Eligibility Criteria

## S&P Global 1200

The index is a composite comprised of the following seven regional indices:

- S&P 500
- S&P Europe 350
- S&P/TSX 60
- S&P/TOPIX 150
- S&P/ASX All Australian 50
- S&P Asia 50
- S&P Latin America 40

*Please refer to the individual regional component index methodologies for information on eligibility factors by geographic area. These documents are available at [www.spdji.com](http://www.spdji.com).*

## S&P Global 1200 ex Canada

The index is comprised of the S&P Global 1200, excluding the S&P/TSX 60.

## S&P Global 100

Index constituents are drawn from the S&P Global 1200. Constituents are screened for global exposure, sector representation, liquidity, financial viability and size. Stocks with low market capitalization or insufficient liquidity are excluded from index consideration. To be considered for the index, a company must meet the following requirements:

- **Global Exposure.** Companies must have global exposure to be eligible for the index. Companies are considered global in nature if both the following conditions are met:
  - More than 30% of their revenues are generated outside of the domicile region.
  - More than 30% of their assets are located outside of the domicile region.

In addition to the above, revenue exposure in the three “primary” regions (North America, Europe, and Asia/Pacific) must be represented.

- **Sector Classification.** The index aims to strike a Global Industry Classification Standard (GICS<sup>®</sup>) sector balance with the S&P Global 1200. Underweighted sectors in the S&P Global 100 relative to the S&P Global 1200 will typically be targeted for index additions.
- **Market Capitalization.** Companies considered for addition to the index are transnational corporations with a minimum float-adjusted market capitalization of US\$ 5 billion.

While the index is fixed at 100 companies, it is possible for it to have more than 100 stocks at any point in time. Such cases arise when a regional component index of the S&P Global 1200 contains more than one share class for a particular company. The S&P Global 100 will use both share classes in its index calculation, in order to maintain the full market capitalization weight of the company in the index.

S&P Dow Jones Indices believes turnover in index membership should be avoided when possible. At times a company may appear to temporarily violate one or more of the addition criteria. However, the addition criteria are for additions to an index, not for continued membership. As a result, an index constituent that appears to violate criteria for addition to that index will not be deleted unless ongoing conditions warrant an index change.

# Index Construction

## **Constituent Weighting**

The indices are weighted by float-adjusted market capitalization.

*For information on float adjustment methodology, please see S&P Dow Jones Indices' Float Adjustment Methodology document located on our Web site, [www.spdji.com](http://www.spdji.com).*

## **Index Calculations**

The indices are calculated using the divisor methodology used in S&P Dow Jones Indices' equity indices.

*For more information on the index calculation methodology, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.*

# Index Maintenance

Constituents of the S&P Global 1200 are also constituents of the regional component indices making up the S&P Global 1200. As such, some specific changes to index constituents – such as share changes, IWF changes, dividend distributions, price adjustments, etc. – follow the policy of the respective regional component index.

Changes in the index level reflect changes in the total market capitalization of the index that are caused by stock price movements in the market. They do not reflect changes in the market capitalization of the index, or of the individual stocks, that are caused by corporate actions such as dividend payments, stock splits, distributions to shareholders, mergers, or acquisitions. When a corporate action affects the price of a security – such as when the price drops on a special distribution ex-date – the price of the security is adjusted on the ex-date and the index divisor is adjusted to offset any change in the total market value of the index.

When a stock is replaced by another stock, the index divisor is adjusted so the change in index market value that results from the addition or deletion does not change the index level.

## Timing of Changes

Additions and deletions to the S&P Global 1200 mirror those of the seven regional component indices.

In addition, constituents removed from the S&P Global 1200 regional component indices are also removed from the S&P Global 1200 sub-indices simultaneously.

*Please refer to the individual regional component index methodologies for further information on addition/deletion criteria. These documents are available at [www.spdji.com](http://www.spdji.com).*

Composition changes to the S&P Global 100 typically only occur when a vacancy is created due to mergers, acquisitions, delistings, etc.

## Corporate Actions

Corporate action treatments for the indices mirror those of the relevant regional component index.

*Please refer to the individual regional component index methodologies for further information on corporate action treatments. These documents are available at [www.spdji.com](http://www.spdji.com).*

*For general information on corporate actions, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, [www.spdji.com](http://www.spdji.com).*

## Currency of Calculation

The indices are calculated in U.S. dollars. In addition, the S&P Global 1200 is also calculated in euros and British pounds, and the S&P Global 100 is also calculated in Australian dollars.

## Exchange Rate

Real-time spot Forex rates, as supplied by Reuters, are used for ongoing index calculation of real-time indices.

WM/Reuters foreign exchange rates are taken daily at 4:00 PM London Time and used in the end-of-day calculation of the indices. These mid-market fixings are calculated by The WM Company based on Reuters data and appear on Reuters pages WMRA.

### Base Date and History Available

Index history availability, base dates and base values are shown in the table below.

Index	Launch Date	First Value Date	Base Date	Base Value
S&P Global 1200 Index	12/31/1989	12/31/1989	12/31/1997	100
S&P Global 1200 ex Canada Index	07/18/2016	12/31/2003	12/31/2003	1000
S&P Global 100 Index	12/31/1989	12/31/1989	12/31/1997	1000



# Index Data

## Calculation Return Types

S&P Dow Jones Indices calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P Dow Jones Indices.

- Price Return (PR) versions are calculated without adjustments for regular cash dividends.
- Gross Total Return (TR) versions reinvest regular cash dividends at the close on the ex-date without consideration for withholding taxes.
- Net Total Return (NTR) versions, if available, reinvest regular cash dividends at the close on the ex-date after the deduction of applicable withholding taxes.

In the event there are no regular cash dividends on the ex-date, the daily performance of all three indices will be identical.

For a complete list of indices available, please refer to the daily index levels file (“.SDL”).

*For more information on the classification of regular versus special cash dividends as well as the tax rates used in the calculation of net return, please refer to S&P Dow Jones Indices’ Equity Indices Policies & Practices Methodology located on our Web site, [www.spdji.com](http://www.spdji.com).*

*For more information on the calculation of return types, please refer to S&P Dow Jones Indices’ Index Mathematics Methodology located on our Web site, [www.spdji.com](http://www.spdji.com).*

# Index Governance

## **Index Committee**

The indices are maintained by S&P Dow Jones Indices' Global Thematic & Strategy Index Committee. The Index Committee meets regularly. All committee members are full-time professional members of S&P Dow Jones Indices' staff. At each meeting, the Index Committee reviews pending corporate actions that may affect index constituents, statistics comparing the composition of an index to the market, companies that are being considered as candidates for addition to an index, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting companies, treatment of dividends, share counts or other matters.

S&P Dow Jones Indices considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

*For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, [www.spdji.com](http://www.spdji.com).*

# Index Policy

## **Announcements**

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting the daily index calculation are typically announced in advance via the Index Corporate Events report (.SDE), delivered daily via ftp to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

Index methodology is constantly under review for best practices, and any changes are announced well ahead of time via the Web site and email to all clients.

*For more information, please refer to the Announcements section of S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, [www.spdji.com](http://www.spdji.com).*

## **Pro-forma Files**

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the indices rebalance. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents and their corresponding weights and index shares effective for the upcoming rebalancing. Since index shares are assigned based on prices five business days prior to the rebalancing, the actual weight of each stock at the rebalancing will differ from these weights due to market movements.

*Please visit [www.spdji.com](http://www.spdji.com) for a complete schedule of rebalancing timelines and pro-forma delivery times.*

## **Holiday Schedule**

The index is calculated daily throughout the calendar year except on days when all exchanges where the index's constituents are listed are officially closed.

*A complete holiday schedule for the year is available on the S&P Dow Jones Indices' Web site at [www.spdji.com](http://www.spdji.com).*

## **Rebalancing**

The Index Committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

## **Unexpected Exchange Closures**

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, [www.spdji.com](http://www.spdji.com).

## **Recalculation Policy**

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, [www.spdji.com](http://www.spdji.com).

**Real-Time Calculation**

Real-time, intra-day, index calculations are executed for certain indices, whenever any of their primary exchanges are open. Real-time indices are not restated.

*For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, [www.spdji.com](http://www.spdji.com).*

**Contact Information**

For questions regarding an index, please contact: [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

# Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at [www.spdji.com](http://www.spdji.com), major quote vendors (see codes below), numerous investment-oriented Web sites, and various print and electronic media.

## Tickers

Index	Bloomberg	Reuters
S&P Global 1200 (Price Return)	SPGLOB	.SPGLOBAL
S&P Global 1200 ex Canada (Price Return)	-	-
S&P Global 100 (Price Return)	OOI	-

## FTP

Daily stock level and index data are available via FTP subscription.

For product information, please contact S&P Dow Jones Indices, [www.spdji.com/contact-us](http://www.spdji.com/contact-us).

## Web site

For further information, please refer to S&P Dow Jones Indices' Web site at [www.spdji.com](http://www.spdji.com).

# Disclaimer

Copyright © 2017 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. STANDARD & POOR'S, S&P, SPDR, S&P 500, S&P EUROPE 350, S&P 100, S&P 1000, S&P COMPOSITE 1500, S&P MIDCAP 400, S&P SMALLCAP 600, GIVI, GLOBAL TITANS, S&P RISK CONTROL INDICES, S&P GLOBAL THEMATIC INDICES, S&P TARGET DATE INDICES, S&P TARGET RISK INDICES, DIVIDEND ARISTOCRATS, STARS, GICS, HOUSINGVIEWS, INDEX ALERT, INDEXOLOGY, MARKET ATTRIBUTES, PRACTICE ESSENTIALS, S&P HEALTHCARE MONITOR, SPICE, and SPIVA are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("S&P"). DOW JONES, DJ, DJIA and DOW JONES INDUSTRIAL AVERAGE are registered trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks together with others have been licensed to S&P Dow Jones Indices LLC. Redistribution, reproduction and/or photocopying in whole or in part are prohibited without written permission. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices LLC, Dow Jones, S&P or their respective affiliates (collectively "S&P Dow Jones Indices") do not have the necessary licenses. All information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity or group of persons. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties. Past performance of an index is not a guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Dow Jones Indices does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P Dow Jones Indices makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor, and S&P Dow Jones Indices makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. Prospective investors are advised to make an investment in any such fund or other vehicle only after carefully considering the risks associated with investing in such funds, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the investment fund or other investment product or vehicle. S&P Dow Jones Indices LLC is not a tax advisor. A tax advisor should be consulted to evaluate the impact of any tax-exempt securities on portfolios and the tax consequences of making any particular investment decision. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof ("Content") may be modified, reverse-engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P Dow Jones Indices. The Content shall not be used for any unlawful or unauthorized purposes. S&P Dow Jones Indices and its third-party data providers and licensors (collectively "S&P Dow Jones Indices Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. S&P DOW JONES INDICES PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY

**SOFTWARE OR HARDWARE CONFIGURATION.** In no event shall S&P Dow Jones Indices Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global keeps certain activities of its various divisions and business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions and business units of S&P Global may have information that is not available to other business units. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.

The Global Industry Classification Standard (GICS®) was developed by and is the exclusive property and a trademark of Standard & Poor's and MSCI. Neither MSCI, Standard & Poor's nor any other party involved in making or compiling any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, Standard & Poor's, any of their affiliates or any third party involved in making or compiling any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.