

**S&P Dow Jones  
Indices**

A Division of **S&P Global**

# **S&P MILA Indices** *Methodology*

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# Introduction

## Index Objective and Family

The index family currently consists of the S&P MILA Andean Indices<sup>1</sup> and the S&P MILA Pacific Alliance Indices.

**S&P MILA Andean Indices.** The S&P MILA Andean Indices consist of the following indices:

- **S&P MILA Andean 40.** The index measures the performance of stocks trading on the MILA platform that represent the Andean region (including Chile, Colombia, and Peru) and meet specific eligibility criteria for size and liquidity.
- **S&P MILA Andean Sector Indices.** These indices include the **S&P MILA Andean Financials** and **S&P MILA Andean Resources**. Index composition is derived from stocks in GICS<sup>®2</sup> sub-industries within GICS<sup>®</sup> Financials sector (for S&P MILA Andean Financials) and GICS<sup>®</sup> Energy, Materials, and Consumer Staples sectors (for S&P MILA Andean Resources). Constituents must trade on the MILA platform, be members of the S&P Global BMI and meet all other eligibility requirements.

**S&P MILA Pacific Alliance Indices.** The S&P MILA Pacific Alliance Indices consist of the following indices:

- **S&P MILA Pacific Alliance Composite.** The index measures the performance of all stocks listed on MILA representing Chile, Colombia, Mexico and Peru that are also included in the S&P Global BMI. Sector and size indices are also available.
- **S&P MILA Pacific Alliance Select.** The index is a sub-index of the S&P MILA Pacific Alliance Composite, and measures the performance of stocks trading on MILA that meet specific eligibility criteria for size and liquidity.
- **S&P MILA Pacific Alliance Completion.** The index is a sub-index of the S&P MILA Pacific Alliance Composite that measures the performance of remaining stocks that are not members of the S&P MILA Pacific Alliance Select.

## About MILA

The Mercado Integrado Latino Americano (MILA) platform is an integrated trading venture formed by the Colombia, Lima, Mexico, and Santiago Stock Exchanges. It is part of the economic and commercial integration effort among the Pacific Alliance member countries of Chile, Colombia, Peru and Mexico.

Additionally, for complete platform integration, and for ensuring smooth cross-border clearing and settlement, there is participation from the securities depositories – DCV from Chile, DECEVAL from Colombia, INDEVAL from Mexico and CAVALI from Peru. MILA was launched on May 30, 2011 with secondary equity trading through an intermediate routing mechanism and has plans to expand. For more information, visit <http://mercadomila.com/>.

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<sup>1</sup> The S&P MILA 40, S&P MILA Financial and S&P MILA Resources were renamed effective July 14, 2014 to include the word "Andean" in the index name to more specifically describe the region they represent.

<sup>2</sup> The Global Industry Classification Standard (GICS<sup>®</sup>) was developed by and is the exclusive property of MSCI and S&P Dow Jones Indices. Global Industry Classification Standard (GICS<sup>®</sup>) is a service mark of MSCI and S&P Dow Jones Indices.

## Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein. References throughout the methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this methodology and the hyperlinks to those documents is as follows:

| Supporting Document   | URL   |
|---|---|
| S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology            | <a href="#">Equity Indices Policies &amp; Practices</a> |
| S&P Dow Jones Indices' Index Mathematics Methodology                              | <a href="#">Index Mathematics Methodology</a>           |
| S&P Dow Jones Indices' Float Adjustment Methodology                               | <a href="#">Float Adjustment Methodology</a>            |
| S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology | <a href="#">GICS Methodology</a>                        |

This methodology was created by S&P Dow Jones Indices in agreement with MILA 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 and MILA so that the indices continue to achieve their objectives.

# Eligibility Criteria

## Index Eligibility

The underlying universe for the S&P MILA Indices is all stocks in the S&P Global BMI that trade on MILA as domestic stocks. Non-domestic stocks of companies with at least 50% of assets or revenues in the MILA region are also eligible. In the case of the S&P MILA Sector Indices, stocks must also meet specific GICS sub-industry classifications.

## Eligibility Factors

**Market Capitalization.** Stocks must meet the float-adjusted market capitalization thresholds as detailed in *Index Construction*, as of the rebalancing reference date.

**Float-Adjustment.** A stock's weight in an index is determined by its float-adjusted market capitalization. All strategic holdings are removed from the float-adjusted market capitalization.

*Please refer to S&P Dow Jones Indices' Float Adjustment Methodology for a detailed description of float adjustment and Investable Weight Factor (IWF).*

**Liquidity.** A stock's value traded is measured by combining local and North American liquidity, if available. North American exchanges refer specifically to the New York Stock Exchange, NASDAQ, and Toronto Stock Exchange. Constituents must meet the liquidity thresholds as detailed in *Index Construction*, as of the rebalancing reference date.

**Listing.** The indices use the local listing and/or the MILA listing for each constituent as described in *Index Construction*.

**Eligible Securities.** All common, investable and preferred shares (which are of an equity and not of a fixed income nature) are eligible for inclusion. Convertible stock, bonds, warrants, rights, and preferred stock that provide a guaranteed fixed return are not eligible.

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 addition to an index, not for continued membership. As a result, an index constituent that appears to violate criteria for addition to that index is not deleted unless ongoing conditions warrant an index change.

## Multiple Share Classes

### **S&P MILA Andean 40, S&P MILA Andean Sector Indices, and S&P MILA Pacific Alliance Select.**

Each company is represented once by the Designated Listing. For more information regarding the treatment of multiple share classes, please refer to Approach B within the Multiple Share Classes section of S&P Dow Jones Indices' Equity Indices Policies & Practices document.

**S&P MILA Pacific Alliance Composite, Completion, Sector, and Size Indices.** All publicly listed multiple share class lines are eligible for index inclusion, subject to meeting the eligibility criteria. For more information regarding the treatment of multiple share classes, please refer to Approach A within the Multiple Share Classes section of S&P Dow Jones Indices' Equity Indices Policies & Practices document.

# Index Construction

## S&P MILA Andean 40

**Approaches.** The S&P MILA Andean 40 employs a capped market capitalization-weighted scheme, using the divisor methodology used in all S&P Dow Jones Indices' equity indices.

The index uses a capped market capitalization-weighting scheme. Modifications are made to market capitalization weights, if required, to reflect available float, reduce country concentration and limit individual stock weights.

**Constituent Selection.** Constituent selection is as follows:

1. All constituents of the S&P Global BMI trading on MILA as domestic stocks representing the Andean region (i.e. Chile, Colombia, and Peru) comprise the initial selection universe.
2. All stocks with a float-adjusted market capitalization of less than US\$ 100 million and/or median three-month daily value traded of less than US\$ 250,000 are removed. In order to reduce turnover, S&P Dow Jones Indices maintains a buffer rule on constituent liquidity. At each rebalancing, if a stock is an existing constituent of the index, it will only be removed if its median three-month daily value traded is less than US\$ 150,000. As described in *Eligibility Criteria*, value traded is measured by combining volume traded in MILA and in North American exchanges. The remaining stocks form the Selection Universe.
3. If a company has multiple share classes, the share class with the lower liquidity is removed.
4. The remaining stocks are sorted in descending order of their float-adjusted market capitalization. The top 40 companies become index constituents subject to the constraint that there must be a minimum of five stocks per country. However, in order to reduce turnover, S&P Dow Jones Indices maintains a 50% buffer rule on constituent market capitalization. At each rebalancing, if a current index constituent's float-adjusted market capitalization has fallen below the top 40 but remains above the top 60, the security remains in the index.

If, in the ranking of the eligible universe, any particular country has fewer than five eligible companies from the top 60 stocks, the five largest companies for that market are chosen from the eligible universe. Therefore, some or all of the top five companies for this country may fall outside the top 60 ranked stocks. This is the only time stock selection may exceed the 50% buffer rule described above.

**Constituent Weightings.** At each rebalancing, no single stock's weight can exceed 8% in the index and no country can represent more than 50% of the index. Adjustments are made to constituents to achieve both of these goals.

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

## S&P MILA Andean Sector Indices

**Approaches.** The S&P MILA Andean Sector Indices employ a non-market capitalization-weighted scheme, using the divisor methodology used in all S&P Dow Jones Indices' equity indices.

The selection of index constituents for each index – S&P MILA Andean Financials and S&P MILA Andean Resources – is based on its corresponding cluster requirement. The following tables define the GICS requirements of each cluster.

| S&P MILA Andean Financials |                                      |          |                                |
|----------------------------|--------------------------------------|----------|--------------------------------|
| 40101010                   | Diversified Banks                    | 40203020 | Investment Banking & Brokerage |
| 40101015                   | Regional Banks                       | 40203030 | Diversified Capital Markets    |
| 40102010                   | Thriffs & Mortgage Finance           | 40301010 | Insurance Brokers              |
| 40201020                   | Other Diversified Financial Services | 40301020 | Life & Health Insurance        |
| 40201030                   | Multi-Sector Holdings                | 40301030 | Multi-line Insurance           |
| 40201040                   | Specialized Finance                  | 40301040 | Property & Casualty Insurance  |
| 40202010                   | Consumer Finance                     | 40301050 | Reinsurance                    |
| 40203010                   | Asset Management & Custody Banks     |          |                                |

| S&P MILA Andean Resources |                                      |          |  |
|---------------------------|--------------------------------------|----------|--|
| 10101010                  | Oil & Gas Drilling                   | 15103010 | Metal & Glass Containers                                   |
| 10101020                  | Oil & Gas Equipment & Services       | 15103020 | Paper Packaging  |
| 10102010                  | Integrated Oil & Gas                 | 15104010 | Aluminum   |
| 10102020                  | Oil & Gas Exploration & Production   | 15104020 | Diversified Metals & Mining                                |
| 10102030                  | Oil & Gas Refining & Marketing       | 15104025 | Copper   |
| 10102040                  | Oil & Gas Storage & Transportation   | 15104030 | Gold   |
| 10102050                  | Coal & Consumable Fuels              | 15104040 | Precious Metals & Minerals                                 |
| 15101010                  | Commodity Chemicals                  | 15104050 | Steel  |
| 15101020                  | Diversified Chemicals                | 15105010 | Forest Products  |
| 15101030                  | Fertilizers & Agricultural Chemicals | 15105020 | Paper Products   |
| 15101040                  | Industrial Gases                     | 30202010 | Agricultural Products                                      |
| 15101050                  | Specialty Chemicals                  | 60101080 | Specialized REITs ( <u>only</u> Timber REITs are eligible) |
| 15102010                  | Construction Materials               |          |  |

**Constituent Selection.** Constituent selection is as follows:

1. All constituents of the S&P Global BMI trading on MILA as domestic stocks representing the Andean region (i.e. Chile, Colombia, and Peru) and categorized according to the corresponding clusters as detailed above comprise the initial selection universe.
2. All stocks with a float-adjusted market capitalization of less than US\$ 100 million and/or median three-month daily value traded of less than US\$ 250,000 are removed. In order to reduce turnover, S&P Dow Jones Indices maintains a buffer rule on constituent liquidity. At each rebalancing, if a stock is an existing constituent of the sector index, it will only be removed if its median three-month daily value traded is less than US\$ 150,000. As described in *Eligibility Criteria*, value traded is measured by combining volume traded in MILA and in North American exchanges. The remaining stocks form the Selection Universe.
3. If a company has multiple share classes, the share class with the lower liquidity is removed.

If, subsequent to the application of the criteria above, the resultant index contains fewer than two stocks from each of the eligible countries, the most liquid stocks from the wider cluster are added to ensure there is sufficient country representation.

The index seeks to include at least two stocks per country, whenever possible, given the index universe and eligibility rules.



**Constituent Weightings.** At each rebalancing, no single stock's weight can exceed 20% in the index and no country can represent more than 50% of the index. Additionally, the minimum initial portfolio size that can be turned over in a single day (based on recent trading volumes) cannot be lower than US\$ 20 million. For the purpose of applying this criterion, trading volumes include all shares traded on the MILA platform and on the North American exchanges, irrespective of the nature of the stock listing.

Constituent weights are determined through the optimization of the constraints above. If no optimal solution is found in this process, the constraint in relation to the minimum initial portfolio size is disregarded prior to optimization.

Adjustments are made to the constituents' market capitalization weights to achieve these goals.

*For more information on the index calculation methodology, please refer to the Non-Market Capitalization Weighted Indices section of S&P Dow Jones Indices' Index Mathematics Methodology.*

## **S&P MILA Pacific Alliance Composite**

**Approaches.** The S&P MILA Pacific Alliance Composite employs a float-adjusted market capitalization-weighted scheme, using the divisor methodology used in all S&P Dow Jones Indices' equity indices.

**Constituent Selection.** All constituents of the S&P Global BMI trading on MILA as domestic stocks are selected and form the index.

**Constituent Weightings.** Stocks in the index are weighted based on their float-adjusted market capitalization.

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

## **S&P MILA Pacific Alliance Select**

**Approaches.** The S&P MILA Pacific Alliance Select employs a non-market capitalization-weighted scheme, using the divisor methodology used in all S&P Dow Jones Indices' equity indices.

The index uses a non-market capitalization-weighting scheme. Modifications are made to market capitalization weights, if required, to reflect available float, reduce country concentration and limit individual stock weights.

**Constituent Selection.** Constituent selection is as follows:

1. All constituents of the S&P Global BMI trading on MILA as domestic stocks comprise the initial selection universe.
2. The requirements for index inclusion are a minimum float-adjusted market capitalization of US\$ 1 billion and a median six-month daily value traded of at least US\$ 1 million. Current constituents remain eligible for index inclusion if their float-adjusted market capitalization is at least US\$ 750 million and their combined domestic and North American median six-month daily value traded is at least US\$ 750,000. As described in *Eligibility Criteria*, value traded is measured by combining volume traded locally and in North American exchanges.
3. If a company has multiple share classes, the share class with the lower liquidity is removed.
4. All companies meeting the above criteria become index constituents subject to the constraint that there must be a minimum of five stocks per country.

If after step 3 any particular country has fewer than five companies, the five largest companies for that market are chosen from the eligible universe following step 1. Therefore, some or all of the top five companies for this country may fall outside the required criteria.

**Constituent Weightings.** At each rebalancing, no single stock's weight can exceed 8% in the index and no country can represent more than 50% of the index. In addition, the combined weight of stocks weighing 5% or more cannot be greater than 40%. The minimum initial portfolio size that can be turned over in a single day (based on the combined domestic and North American median six-month daily value traded) cannot be lower than US\$ 75 million.

If necessary, based on market conditions, the portfolio size used to calculate basket liquidity weight may be adjusted to achieve each of the weighting criteria.

*For more information on the index calculation methodology, please refer to the Non-Market Capitalization Weighted Indices section of S&P Dow Jones Indices' Index Mathematics Methodology.*

## **S&P MILA Pacific Alliance Completion**

**Approaches.** The S&P MILA Pacific Alliance Completion employs a float-adjusted market capitalization-weighted scheme, using the divisor methodology used in all S&P Dow Jones Indices' equity indices.

**Constituent Selection.** All constituents of the S&P MILA Pacific Alliance Composite that are not members of the S&P MILA Pacific Alliance Select form the index.

**Constituent Weightings.** Stocks in the index are weighted based on their float-adjusted market capitalization.

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

## **S&P MILA Pacific Alliance Sector Indices**

**Approaches.** The S&P MILA Pacific Alliance Sector Indices employ a float-adjusted market capitalization-weighted scheme, using the divisor methodology used in all S&P Dow Jones Indices' equity indices.

**Constituent Selection.** At each rebalancing, constituents of the S&P MILA Pacific Alliance Composite that are categorized according to the following GICS sectors, form each respective S&P MILA Pacific Alliance Sector Index.

- Consumer Discretionary
- Consumer Staples
- Energy
- Financials
- Health Care
- Industrials
- Information Technology
- Materials
- Communication Services
- Utilities
- Real Estate

**Constituent Weightings.** Stocks in each index are weighted based on their float-adjusted market capitalization.

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

## **S&P MILA Pacific Alliance Size Indices**

**Approaches.** The S&P MILA Pacific Alliance Size Indices are subsets of the S&P MILA Pacific Alliance Composite and consist of the following indices:

- S&P MILA Pacific Alliance MidCap
- S&P MILA Pacific Alliance SmallCap
- S&P MILA Pacific Alliance MidSmallCap

Company size classification is determined using the S&P Global BMI's size methodology.

*For information on the S&P Global BMI, please refer to the S&P Global BMI, S&P/IFCI Methodology available at [www.spdji.com](http://www.spdji.com).*

**Constituent Weightings.** At each rebalancing, the indices are weighted based on the float-adjusted market capitalization of their respective index constituents.

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

# Index Maintenance

## Rebalancing

**S&P MILA Andean Indices.** The indices are rebalanced semi-annually in March and September.

**S&P MILA Pacific Alliance Indices.** The S&P MILA Pacific Alliance Composite, Completion, Sector, and Size Indices are rebalanced quarterly in March, June, September, and December. The S&P MILA Pacific Alliance Select is rebalanced semi-annually in March and September.

The following table details each index's rebalancing reference and effective dates.

| Index                                    | Reference Dates<br>(after close of business)  | Effective Dates<br>(after close of business)          |
|--|---|---|
| S&P MILA Andean 40                       | Last trading day of February and August.  | Last trading day of March and September.              |
| S&P MILA Andean Sector Indices           |   |   |
| S&P MILA Pacific Alliance Composite      | Five weeks prior to the effective rebalancing date for March, June, September and December. | Third Friday of March, June, September, and December. |
| S&P MILA Pacific Alliance Completion     |   |   |
| S&P MILA Pacific Alliance Sector Indices |   |   |
| S&P MILA Pacific Alliance Size Indices   |   |   |
| S&P MILA Pacific Alliance Select         | Third Friday of February and August.  | Third Friday of March and September.                  |

**Additions.** Except for spin-offs, companies can only be added to an index at the time of the rebalancing.

**Deletions.** Between rebalancings, deletions can occur due to acquisitions, mergers, takeovers, bankruptcies or delistings. For the S&P MILA Andean Sector Indices and S&P MILA Pacific Alliance Sector Indices, if an index constituent's GICS classification changes out of the eligible sub-industry classification, the company is removed at the next rebalancing.

## Currency, Currency Hedged, and Risk Control Indices

The S&P MILA Andean Indices are calculated in U.S. dollars, Chilean pesos, Colombian pesos, and Peruvian new soles. With the exception of the S&P MILA Pacific Alliance Sector and Size Indices, the S&P MILA Pacific Alliance Indices are calculated in U.S. dollars, Chilean pesos, Colombian pesos, Mexican pesos and Peruvian new soles. The S&P MILA Pacific Alliance Sector and Size Indices are only calculated in U.S. dollars.

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 New York 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.

Additional currency, currency hedged, and risk control versions of the indices may be available. For a list of available currency, currency hedged, and risk control indices, please contact Client Services at [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

*For more information on currency, currency hedged, and risk control indices, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.*

## Corporate Actions

### S&P MILA Andean 40, S&P MILA Andean Sector Indices, and S&P MILA Pacific Alliance Select.

The following table lists the most common corporate events affecting the indices on a daily basis, as well their treatment and divisor impact.

| Corporate Action  | Adjustment Made to Index  | Divisor Adjustment? |
|---|---|---------------------|
| Spin-off  | Please refer to the Treatment of Spin-offs in S&P Dow Jones Indices' Equity Indices Policies & Practices document.  |                     |
| Rights Offering   | The price is adjusted to the Price of the Parent Company minus (the Price of the Rights Offering/Rights Ratio). Index Shares change so that the company's weight remains the same as its weight before the rights offering.               | No                  |
| Stock Dividend, Stock Split, Reverse Stock Split                        | Index Shares are multiplied by and price is divided by the split factor.  | No                  |
| Share Issuance, Share Repurchase, Equity Offering or Warrant Conversion | None.   | No                  |
| Special Dividends   | Price of the stock making the special dividend payment is reduced by the per share special dividend amount after the close of trading on the day before the dividend ex-date.   | Yes                 |
| Constituent Change  | There are no intra-rebalancing additions.   | -                   |
|   | Deletions due to delistings, acquisition or any other corporate event resulting in the deletion of the stock from the index will cause the weights of the rest of the stocks in the index to change. Relative weights will stay the same. | Yes                 |

**S&P MILA Pacific Alliance Composite, Completion, Sector, and Size Indices.** The corporate action treatment for the indices follow that of the underlying S&P Global BMI country indices.

For more information, please refer to the S&P Global BMI, S&P/IFCI Methodology at [www.spdji.com](http://www.spdji.com).

For more information on Corporate Actions, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

### Investable Weight Factor (IWF)

All issues in the indices are assigned a float factor, called an Investable Weight Factor (IWF). The IWF ranges between 0 and 1 and is an adjustment factor that accounts for the publicly available shares of a company.

Please refer to S&P Dow Jones Indices' Float Adjustment Methodology for details.

### Other Adjustments

In cases where there is no achievable market price for a stock being deleted, it can be removed at a zero or minimal price at the Index Committee's discretion, in recognition of the constraints faced by investors in trading bankrupt or suspended stocks.



## Base Dates and History Availability

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 MILA Andean 40   | 08/29/2011  | 03/30/2001       | 03/30/2001 | 100        |
| S&P MILA Andean Financials                                 | 08/29/2011  | 03/30/2007       | 03/30/2007 | 100        |
| S&P MILA Andean Resources                                  | 08/29/2011  | 03/30/2007       | 03/30/2007 | 100        |
| S&P MILA Pacific Alliance Composite                        | 07/08/2014  | 03/30/2001       | 03/30/2001 | 100        |
| S&P MILA Pacific Alliance Completion                       | 07/08/2014  | 03/30/2001       | 03/30/2001 | 100        |
| S&P MILA Pacific Alliance Select                           | 07/08/2014  | 03/30/2001       | 03/30/2001 | 1000       |
| S&P MILA Pacific Alliance Composite Consumer Discretionary | 07/17/2014  | 03/30/2001       | 03/30/2001 | 100        |
| S&P MILA Pacific Alliance Composite Consumer Staples       | 07/17/2014  | 03/30/2001       | 03/30/2001 | 100        |
| S&P MILA Pacific Alliance Composite Energy                 | 07/17/2014  | 01/02/2006       | 01/02/2006 | 100        |
| S&P MILA Pacific Alliance Composite Financials             | 07/17/2014  | 03/30/2001       | 03/30/2001 | 100        |
| S&P MILA Pacific Alliance Composite Health Care            | 07/17/2014  | 11/01/2006       | 11/01/2006 | 100        |
| S&P MILA Pacific Alliance Composite Industrials            | 07/17/2014  | 03/30/2001       | 03/30/2001 | 100        |
| S&P MILA Pacific Alliance Composite Information Technology | 07/17/2014  | 11/01/2007       | 11/01/2007 | 100        |
| S&P MILA Pacific Alliance Composite Materials              | 07/17/2014  | 03/30/2001       | 03/30/2001 | 100        |
| S&P MILA Pacific Alliance Composite Real Estate            | 09/16/2016  | 09/16/2016       | 09/16/2016 | 100        |
| S&P MILA Pacific Alliance Composite Communication Services | 07/17/2014  | 03/30/2001       | 03/30/2001 | 100        |
| S&P MILA Pacific Alliance Composite Utilities              | 07/17/2014  | 03/30/2001       | 03/30/2001 | 100        |
| S&P MILA Pacific Alliance MidCap                           | 10/03/2016  | 03/30/2001       | 03/30/2001 | 100        |
| S&P MILA Pacific Alliance SmallCap                         | 10/03/2016  | 03/30/2001       | 03/30/2001 | 100        |
| S&P MILA Pacific Alliance MidSmallCap                      | 10/03/2016  | 03/30/2001       | 03/30/2001 | 100        |

# 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 document.*

*For more information on the calculation of return types, please refer to S&P Dow Jones Indices’ Index Mathematics Methodology.*

# Index Governance

## Index Committee

The indices are maintained by the S&P/MILA Index Committee. The Index Committee meets regularly. All committee members are full-time professional members of S&P Dow Jones Indices' staff and one member from each of the markets representing MILA. At each meeting, the Index Committee may review pending corporate actions that may affect index constituents, statistics comparing the composition of the indices 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.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to its daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews this methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

*For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.*

# 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 to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

*For more information, please refer to the Announcements section of S&P Dow Jones Indices' Equity Indices Policies & Practices document.*

## 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.

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

## Holiday Schedule

The indices are calculated daily, throughout the calendar year, provided at least one MILA stock exchange is open and trading.

*A complete holiday schedule for the year is available 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.

## Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.

## Real-Time Calculation

Real-Time, intra-day, index calculations are executed for certain indices. 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.*

**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

The table below lists headline indices covered by this document. All currency, currency hedged, risk control, and return type versions of the below indices that may exist are also covered by this document. Please contact [index\\_services@spglobal.com](mailto:index_services@spglobal.com) for a complete list of indices covered by this document.

| Index                                 | Currency | Price Return | Total Return | Net Total Return |
|---------------------------------------|----------|--------------|--------------|------------------|
| S&P MILA Andean 40                    | USD      | SPMILA       | SPMILAT      | SPMILAN          |
|                                       | CLP      | SPMILAC      | SPMILACT     | SPMILACN         |
|                                       | COP      | SPMILAO      | SPMILAOT     | SPMILAON         |
|                                       | PEN      | SPMILAP      | SPMILAPT     | SPMILAPN         |
| S&P MILA Andean Financials            | USD      | SPMLAF       | SPMLAFT      | SPMLAFN          |
|                                       | CLP      | SPMLAFC      | SPMLAFCT     | SPMLAFCN         |
|                                       | COP      | SPMLAFO      | SPMLAFOT     | SPMLAFON         |
|                                       | PEN      | SPMLAFP      | SPMLAFPT     | SPMLAFPN         |
| S&P MILA Andean Resources             | USD      | SPMLAR       | SPMLART      | SPMLARN          |
|                                       | CLP      | SPMLARC      | SPMLARCT     | SPMLARCN         |
|                                       | COP      | SPMLARO      | SPMLAROT     | SPMLARON         |
|                                       | PEN      | SPMLARP      | SPMLARPT     | SPMLARPN         |
| S&P MILA Pacific Alliance Composite   | USD      | SPMPUP       | SPMPUT       | SPMPUN           |
|                                       | CLP      | SPMPCP       | SPMPCT       | SPMPCN           |
|                                       | COP      | SPMPOP       | SPMPOT       | SPMPON           |
|                                       | MXP      | SPMPMP       | SPMPMT       | SPMPMN           |
|                                       | PEN      | SPMPPP       | SPMPPT       | SPMPPN           |
| S&P MILA Pacific Alliance Completion  | USD      | SPMPCUP      | SPMPCUT      | SPMPCUN          |
|                                       | CLP      | SPMPCCP      | SPMPCCCT     | SPMPCCN          |
|                                       | COP      | SPMPCOP      | SPMPCOT      | SPMPCON          |
|                                       | MXP      | SPMPCMP      | SPMPCMT      | SPMPCMN          |
|                                       | PEN      | SPMPCPP      | SPMPCPT      | SPMPCPN          |
| S&P MILA Pacific Alliance Select      | USD      | SPMPSPUP     | SPMPSPUT     | SPMPSPUN         |
|                                       | CLP      | SPMPSCP      | SPMPSCCT     | SPMPSCN          |
|                                       | COP      | SPMP SOP     | SPMP SOT     | SPMP SON         |
|                                       | MXP      | SPMP SMP     | SPMP SMT     | SPMP SMN         |
|                                       | PEN      | SPMP SPP     | SPMP SPT     | SPMP SPN         |
| S&P MILA Pacific Alliance Sectors:    |          |              |              |                  |
| Consumer Discretionary                | USD      | SPMPCDUP     | SPMPCDUT     | SPMPCDUN         |
| Consumer Staples                      | USD      | SPMPCSUP     | SPMPCSUT     | SPMPCSUN         |
| Energy                                | USD      | SPMPENUP     | SPMPENUT     | SPMPENUN         |
| Financials                            | USD      | SPMPFIUP     | SPMPFIUT     | SPMPFIUN         |
| Health Care                           | USD      | SPMPHLUP     | SPMPHCUT     | SPMPHCUN         |
| Industrials                           | USD      | SPMPINUP     | SPMPINUT     | SPMPINUN         |
| Information Technology                | USD      | SPMPITUP     | SPMPITUT     | SPMPITUN         |
| Materials                             | USD      | SPMPMAUP     | SPMPMAUT     | SPMPMAUN         |
| Real Estate                           | USD      | SPMPREUP     | SPMPREUT     | SPMPREUN         |
| Communication Services                | USD      | SPMP TLUN    | SPMP TLUT    | SPMP TLUN        |
| Utilities                             | USD      | SPMPUTUP     | SPMPUTUT     | SPMPUTUN         |
| S&P MILA Pacific Alliance Sizes:      |          |              |              |                  |
| S&P MILA Pacific Alliance MidCap      | USD      | SPMPMCUP     | SPMPMCUT     | SPMPMCUN         |
| S&P MILA Pacific Alliance SmallCap    | USD      | SPMPSCUP     | SPMPSCUT     | SPMPSCUN         |
| S&P MILA Pacific Alliance MidSmallCap | USD      | SPMPMSUP     | SPMPMSUT     | SPMPMSUN         |

**Index Data**

Daily constituent and index level data are available via 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).*

# Appendix

## Methodology Changes

Methodology changes since January 1, 2015 are as follows:

| Change  | Effective Date<br>(After Close) | Methodology  |  |
|---|---------------------------------|--|--|
|   |                                 | Previous   | Updated  |
| S&P MILA Pacific Alliance Communication Services Index:<br><br>Eligibility          | 09/21/2018                      | The index is comprised of all constituents of the S&P MILA Pacific Alliance Composite classified as part of the Telecommunication Services Sector (GICS Code: 50).   | The index is comprised of all constituents of the S&P MILA Pacific Alliance Composite classified as part of the Communication Services Sector (GICS Code: 50).   |
| Foreign Exchange Rate used for End-of-Day Calculations                              | 08/17/2018                      | 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.  | WM/Reuters foreign exchange rates are taken daily at 4:00 PM New York Time and used in the end-of-day calculation of the indices.  |
| S&P MILA Pacific Alliance Select:<br><br>Rebalancing Reference Date                 | 09/15/2017                      | Last trading day of February and August.   | Third Friday of February and August.   |
| S&P MILA Andean 40 and S&P MILA Andean Sector Indices:<br><br>Constituent Selection | 09/30/2016                      | All stocks with a float-adjusted market capitalization of less than US\$ 100 million and/or average three-month daily value traded of less than US\$ 250,000 are removed. In order to reduce turnover, S&P Dow Jones Indices maintains a buffer rule on constituent liquidity. At each rebalancing, if a stock is an existing constituent of the index, it will only be removed if its average three-month daily value traded is less than US\$ 150,000. | All stocks with a float-adjusted market capitalization of less than US\$ 100 million and/or median three-month daily value traded of less than US\$ 250,000 are removed. In order to reduce turnover, S&P Dow Jones Indices maintains a buffer rule on constituent liquidity. At each rebalancing, if a stock is an existing constituent of the index, it will only be removed if its median three-month daily value traded is less than US\$ 150,000. |
| S&P MILA Pacific Alliance Select:<br><br>Constituent Weightings                     | 09/16/2016                      | At each rebalancing, no single stock's weight can exceed 8% in the index and no country can represent more than 50% of the index. In addition, the combined weight of stocks weighing 5% or more cannot be greater than 40%.   | At each rebalancing, no single stock's weight can exceed 8% in the index and no country can represent more than 50% of the index. In addition, the combined weight of stocks weighing 5% or more cannot be greater than 40%. The minimum initial portfolio size that can be turned over in a single day (based on the combined domestic and North American median six-month daily value traded) cannot be lower than US\$ 75 million.                  |
| S&P MILA Pacific Alliance Select:<br><br>Constituent Weightings                     | 12/18/2015                      | At each rebalancing, no single stock's weight can exceed 8% in the index and no country can represent more than 50% of the index. Adjustments are made to constituents to achieve both of these goals.   | At each rebalancing, no single stock's weight can exceed 8% in the index and no country can represent more than 50% of the index. In addition, the combined weight of stocks weighing 5% or more cannot be greater than 40%. Adjustments are made to constituents to achieve these goals.  |
| Additions   | 09/30/2015                      | No companies are added to the indices between rebalancings. Index additions are only made during scheduled rebalancings.   | Except for spin-offs, companies can only be added to an index at the time of the rebalancing.  |



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