

# **S&P Dow Jones Indices**

A Division of **S&P Global**

## **S&P/BMV Indices** *Methodology*

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# Introduction

The S&P/BMV Indices are maintained by S&P Dow Jones Indices in agreement with the Bolsa Mexicana de Valores (BMV). The indices cover the Mexican and certain other equities markets as described below.

## Index Objectives, Family, and Highlights

**S&P/BMV Bursa Optimo Index.** The index is designed to measure the performance of the most liquid stocks listed on the BMV using a weighting scheme that takes into account float-adjusted market capitalization, liquidity, and fundamental variables.

**S&P/BMV China SX20 Index.** The index is designed to measure the performance of the largest and most liquid Chinese companies listed in the United States on U.S. exchanges (NYSE, Nasdaq, or OTC), as well as the BMV's SIC (International Quotation System). Index constituents are weighted by float-adjusted market capitalization, subject to diversification requirements as detailed in *Eligibility Criteria and Index Construction*.

**S&P/BMV Dividend Index.** The index is designed to measure the performance of the largest and most liquid stocks listed on the BMV that have been paying dividends. Index constituents are weighted by five-year average dividend income, subject to diversification requirements as detailed in *Eligibility Criteria and Index Construction*.

**S&P/BMV IPC CompMx Trailing Income Equities Index.** The index is designed to measure the performance of large and liquid stocks listed on the BMV that have paid at least one dividend over the past five years. Index constituents are selected based on a combined ranking where five-year average dividend yield accounts for 70% of the ranking score, marketability accounts for 25% and turnover for 5%. The index maintains 25 constituents and is weighted by five-year average dividend income, subject to the diversification requirements detailed in *Eligibility Criteria and Index Construction*.

**S&P/BMV IPC CompMx Trailing Income Equities ESG Tilted Index.** The index is designed to measure the performance of constituents in the S&P/BMV IPC CompMx Trailing Income Equities Index that meet sustainability criteria, while attempting to improve the overall S&P DJI ESG Score of the parent index by over or underweighting components based on their S&P DJI ESG Scores. The index applies exclusions based on business activities and non-compliance with United Nations Global Compact (UNGC) principles. ESG stands for Environmental, Social, and Governance.

**S&P/BMV FIBRAS Index.** The index is designed to measure the performance of a maximum of 20 of the most liquid Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS) listed on the BMV, based on value traded. Index constituents are weighted by float-adjusted market capitalization, subject to diversification requirements as detailed in *Eligibility Criteria and Index Construction*.

**S&P/BMV FIBRAS Composite Index.** The index is designed to measure the performance of Mexican Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS), Energy and Infrastructure Investment Trusts (Fideicomisos de Inversión en Energía e Infraestructura or FIBRAS E), and Mortgage Trusts (Fideicomisos Hipotecarios), listed on the BMV that meet certain size and liquidity criteria. Index constituents are weighted by float-adjusted market capitalization, subject to the diversification requirements detailed in *Eligibility Criteria and Index Construction*.

**S&P/BMV Analytical Sector Indices.** The indices are designed to measure the performance of stocks listed on the BMV covering seven key sectors of the Mexican equities market. Index constituents are weighted by total market capitalization. The indices consist of the following:

- S&P/BMV Consumer Discretionary Sector Index
- S&P/BMV Consumer Staples Sector Index
- S&P/BMV Financials Sector Index
- S&P/BMV Health Care Sector Index
- S&P/BMV Industrials Sector Index
- S&P/BMV Materials Sector Index
- S&P/BMV Telecommunication Services Sector Index

**S&P/BMV Economic Activity Indices.** The indices are designed to measure the performance of stocks listed on the BMV covering various economic sectors of the Mexican equities market. Index constituents are weighted by float-adjusted market capitalization, subject to diversification requirements as detailed in *Eligibility Criteria and Index Construction*. The indices consist of the following:

- S&P/BMV Commercial Services Index
- S&P/BMV Construction Index
- S&P/BMV Financial Services Index
- S&P/BMV Infrastructure & Transportation Index
- S&P/BMV Manufacturing, Electricity, & Water Index
- S&P/BMV Mining & Agriculture Index
- S&P/BMV Retail & Distributors Index

**S&P/BMV Investable Select Sector Indices.** The indices are designed to measure the performance of stocks listed on the BMV covering key sectors of the Mexican equities market. Index constituents are weighted by float-adjusted market capitalization, subject to diversification requirements as detailed in *Eligibility Criteria and Index Construction*. The indices consist of the following:

- S&P/BMV Consumer Staples Select Sector Index
- S&P/BMV Financials Select Sector Index
- S&P/BMV Industrials Select Sector Index
- S&P/BMV Materials Select Sector Index

**S&P/BMV IPC CompMx Index.** The index is designed to serve as a broad benchmark for the Mexican equities market. The index measures the performance of Mexico domiciled stocks listed on the BMV that meet certain size and liquidity criteria. Index constituents are weighted by float-adjusted market capitalization, subject to diversification requirements as detailed in *Eligibility Criteria and Index Construction*. In addition, size segment and Global Industry Classification Standard (GICS®) sub-indices of the S&P/BMV IPC CompMx Index are also available:

- **S&P/BMV IPC LargeCap Index.** The index is designed to measure the performance of stocks representing the top 75% of the cumulative market capitalization within the S&P/BMV IPC CompMx Index.
- **S&P/BMV IPC MidCap Index.** The index is designed to measure the performance of stocks representing the next 20% of the cumulative market capitalization within the S&P/BMV IPC CompMx Index, excluding large-cap stocks.
- **S&P/BMV IPC SmallCap Index.** The index is designed to measure the performance of stocks representing the next 5% of the cumulative market capitalization within the S&P/BMV IPC CompMx Index, excluding large-cap and mid-cap stocks.
- **S&P/BMV IPC CompMx Ex-Financials Index.** The index is designed to measure the performance of all companies in the S&P/BMV IPC CompMx Index (the “Underlying Index”), excluding those companies classified as part of the GICS Financials Sector (Code: 40). Constituents are weighted by float-adjusted market capitalization, subject to the diversification requirements of the underlying index.

**S&P/BMV Total Mexico Index.** The index is designed to serve as a broad benchmark for the Mexican equities market. The index measures the performance of Mexico domiciled stocks, including Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS) and Mortgage trusts, listed on the BMV that meet certain size and liquidity criteria. Index constituents are weighted by float-adjusted market capitalization, subject to the diversification requirements as detailed in *Eligibility Criteria and Index Construction*.

**S&P/BMV Total Mexico ESG Index.** The S&P/BMV Total Mexico ESG Index is designed to be an ESG score-weighted index that measures the performance of stocks with high ESG scores meeting sustainability criteria. The index applies exclusions based on business activities & United Nations Global Compact (UNGC) scores. ESG stands for Environmental, Social, and Governance.

**S&P/BMV Market Makers Index.** The index is designed to measure the performance of BMV listed Mexican stocks that meet the requirements of maintaining active contracts with Market Makers to facilitate trading liquidity and diversification, as detailed in *Eligibility Criteria and Index Construction*. Index constituents are weighted by float-adjusted market capitalization, subject to the constraints detailed in *Constituent Weightings*.

**S&P/BMV IPC Index.** The index is designed to measure the performance of 35 of the largest and most liquid stocks listed on the BMV. Index constituents are weighted by float-adjusted market capitalization, subject to diversification requirements as detailed in *Eligibility Criteria and Index Construction*. Leverage and Inverse versions of the index are also available:

- **S&P/BMV IPC 2X Leverage Daily Index.** The index is designed to reflect 200% of the return (positive or negative) of the S&P/BMV IPC Index, including dividends and price movements.
- **S&P/BMV IPC Inverse Daily Index.** The index is designed to reflect the inverse performance of the S&P/BMV IPC Index in order to assist those who are seeking a short position on Mexican equities.

**S&P/BMV IPC ESG Tilted Indices.** The indices are designed to measure the performance of constituents in the S&P/BMV IPC Index that meet sustainability criteria, while attempting to improve the overall S&P DJI ESG Score of the parent index by over or underweighting components based on S&P DJI ESG Scores. The indices employ a range of scaling factors that, when applied to the weighting scheme, provide varying magnitudes of tilting, classified as “Light”, “Moderate”, and “Heavy”. The indices apply exclusions based on business activities and non-compliance with United Nations Global Compact (UNGC) principles. ESG stands for Environmental, Social, and Governance. The index family includes:

- |   |  |
|---|--|
| • S&P/BMV IPC ESG Tilted (Light) Index    | • S&P/BMV IPC ESG Tilted Index         |
| • S&P/BMV IPC ESG Tilted (Moderate) Index | • S&P/BMV IPC ESG Tilted (Heavy) Index |

**S&P/BMV INMEX.** The index is designed to measure the performance of 20 of the largest and most liquid stocks within the S&P/BMV IPC Index. Index constituents are weighted by float-adjusted market capitalization, subject to diversification requirements as detailed in *Eligibility Criteria and Index Construction*.

**S&P/BMV IPC Quality, Value and Growth Index.** The index is designed to measure the performance of stocks in the S&P/BMV IPC Index that have the highest combination of quality, value, and growth, as determined by the multi-factor score calculation detailed in *Eligibility Criteria and Index Construction*. Index constituents are weighted by final multi-factor score, defined as the simple average of the underlying quality, value, and growth scores.

**S&P/BMV IPC Equal Weight Index.** Index composition is the same as that of the underlying index (i.e., the S&P/BMV IPC Index). Constituents are equal weighted.

**S&P/BMV Single Factor Indices.** The S&P/BMV single factor select indices measure the performance of strategies that select the top 30% of stocks from the underlying index, based on their respective factors. Index constituents are weighted by factor score, subject to security and liquidity constraints.

- **S&P/BMV IPC CompMx Quality Index.** The index measures the performance of stocks within the top 30% of the broad S&P/BMV IPC CompMx index based on quality score. Quality scores are calculated based on three fundamental measures: operating return on assets, accruals ratio, and financial leverage ratio.
- **S&P/BMV IPC CompMx Short-Term Momentum Index.** The index measures the performance of stocks within the top 30% of the broad S&P/BMV IPC CompMx index based on Momentum score. Momentum scores are determined by short-term persistence in relative performance, during the specified measurement period.
- **S&P/BMV IPC CompMx Enhanced Value Index.** The index measures the performance of stocks within the top 30% of the broad S&P/BMV IPC CompMx index based on value score. Value scores are calculated based on three fundamental measures: book value-to-price, operating income-to-enterprise value, and sales-to-price.

**S&P/BMV Single Factor Indices – Weighted Versions.** The S&P/BMV single factor indices measure the performance of strategies that overweight the S&P/BMV IPC CompMx or S&P/BMV IPC stocks relative to the underlying index in such a way that results in greater representation of specifically defined attributes versus the underlying index.

- **S&P/BMV IPC CompMx Quality Weighted Index.** Index constituents are weighted so that, relative to the underlying index (the S&P/BMV IPC CompMx), stocks with high quality scores are overweight and stocks with low quality scores are underweight. Quality scores are calculated based on three fundamental measures: operating return on assets, accruals ratio and financial leverage ratio.
- **S&P/BMV IPC CompMx Short-Term Momentum Weighted Index.** Index constituents are weighted so that, relative to the underlying index (the S&P/BMV IPC CompMx), stocks with stronger price momentum are overweight and stocks with weaker price momentum are underweight.
- **S&P/BMV IPC CompMx Enhanced Value Weighted Index.** Index constituents are weighted so that, relative to the underlying index (the S&P/BMV IPC CompMx), stocks with higher value scores are overweight and stocks with lower value scores are underweight. Value scores are calculated based on three fundamental measures: book value-to-price, operating income-to-enterprise value, and sales-to-price.
- **S&P/BMV IPC CompMx Risk Weighted Index.** Index constituents are weighted so that, relative to the underlying index (the S&P/BMV IPC CompMx), stocks with lower volatility are overweight and stocks with higher volatility are underweight. Volatility is defined as the standard deviation of the security's daily price returns in local currency over the prior one year of trading days.
- **S&P/BMV IPC Risk Weighted Index.** Index constituents are weighted so that, relative to the underlying index (the S&P/BMV IPC), stocks with lower volatility are overweight and stocks with higher volatility are underweight. Volatility is defined as the standard deviation of the security's daily price returns in local currency over the prior one year of trading days.

**S&P/BMV Ingenius Index.** The index measures the performance of large technology and tech-enabled companies with high S&P Growth Scores and listings on the NYSE or Nasdaq, as well as the BMV's SIC (International Quotation System). Index constituents are weighted by S&P Momentum Score, subject to the diversification requirements detailed in *Eligibility Criteria and Index Construction*.



## 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>
S&P DJI ESG Score Methodology	<a href="#">S&amp;P DJI ESG Score Methodology</a>

This methodology was created by S&P Dow Jones Indices in agreement with the Bolsa Mexicana de Valores (BMV) 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 the BMV so that the index continues to achieve its objective.

## Collaboration

Pursuant to an Index Operation and License Agreement dated May 2015 (the "Agreement") between S&P Dow Jones Indices LLC ("S&P DJI") and Bolsa Mexicana de Valores, S.A.B. DE C.V. ("BMV"), as amended, S&P DJI and BMV have agreed to jointly publish and co-brand a family of indices (the "Indices"). The Indices will be co-branded with the S&P/BMV naming convention on June 5, 2017, in conjunction with S&P Dow Jones Indices' assumption of index calculation and maintenance. Prior to June 5, 2017, the Indices were calculated and maintained by BMV.

# Eligibility Criteria and Index Construction

## S&P/BMV Bursa Optimo Index

**Index Universe.** The Index Universe consists of all stocks in the equity market listed on the BMV, excluding Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS), Energy and Infrastructure Investment Trusts (Fideicomisos de Inversión en Energía e Infraestructura or FIBRAS E) and Mortgage Trusts.

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Marketability Score.** A stock must have a Marketability Score.
- **Multiple Share Classes.** If a company has multiple share classes, the most liquid share class, based on Marketability Scores, is selected.

For more information on Marketability Scores, please refer to the BMV Marketability Index Methodology available at [www.bmv.com.mx/docs-pub/INDICES/CTEN\\_INOT/BMV\\_MARKETABILITY\\_INDEX\\_METHODOLOGY.PDF](http://www.bmv.com.mx/docs-pub/INDICES/CTEN_INOT/BMV_MARKETABILITY_INDEX_METHODOLOGY.PDF).

**Constituent Selection.** All stocks in the Selection Universe are ranked by their Marketability Scores. The 30 stocks with the highest liquidity, based on Marketability Scores, are selected, and form the index.

**Constituent Weightings.** The index is non-market capitalization weighted. At each rebalancing, stocks are ranked by three factors: float-adjusted market capitalization (FMC), liquidity, and fundamental variables:

- **FMC and Liquidity Factors.** Stocks are sorted in descending order based on each factor (FMC and liquidity). For each factor, stocks are then ranked from 30 to 1 with the highest ranked stock getting a rank equal to 30. The rankings are then scaled so that the highest ranked stock gets a value of 1 (which represents 30 divided by 30), and the lowest ranked stock gets a value of 1 divided by 30. Each stock in between 1 and 30 gets a rank based on its actual rank divided by 30 to preserve the natural order.
- **Fundamental Variable Factor.** A fundamental variable is calculated for each stock in the index. The fundamental variable is based on the following five financial performance indicators:<sup>1</sup>
  - Net Income
  - Operating Profit
  - Profit Margin (Net Income/Net Sales)
  - Net Debt/Equity Ratio
  - Price/Earnings Ratio

The procedure to calculate this factor is as follows:

1. Stocks are sorted in descending order based on each financial performance indicator. For each financial performance indicator, stocks are then ranked from 30 to 1 with the highest ranked stock getting a rank equal to 30. The rankings are then scaled so that the highest ranked stock gets a value of 1 (which represents 30 divided by 30) and the lowest ranked stock gets a value of 1 divided by 30. Each stock in between 1 and 30 gets a rank based on its actual rank divided by 30 to preserve the natural order.

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<sup>1</sup> The financial performance indicators are based over a five-year period using annualized quarterly data. They are expressed as annual average growth rates.

2. After rankings are assigned to all stocks for each of the five performance indicators, an optimization process is used to determine the optimal set of allocation weights that when multiplied by each of the financial performance indicator rankings from Step 1 will achieve the highest possible Sharpe ratio.<sup>2</sup> The weight for each financial performance indicator is subject to a floor of 0.05 and all possible weight combinations are rounded up to the next 0.05.
3. Using the optimized set of weights from Step 2, multiply each of the five financial performance indicators' rankings from Step 1 (for each stock) by the optimal weight allocation for that particular performance indicator. For example, Net Income, Operating Profit, Profit Margin, the Net Debt/Equity ratio, and the Price/Earnings ratio will all have their own fixed optimal weight allocations. The same optimal weight allocations are used for all 30 stocks for each of the five performance indicators.
4. For each of the 30 stocks, take the sum of all five values from Step 3.
5. Sort the values from Step 4 in descending order. Find the maximum value and divide all the values from Step 4 by the maximum value. This will rescale the rankings so that the highest ranked stock gets a value of 1. This will also preserve the natural order. These scaled values become the final rankings for the Fundamental Variable Factor.

After rankings have been assigned for each of the three factors (FMC, liquidity, and fundamental variables), a joint rating is calculated for each of the 30 stocks by multiplying the three independent rankings by the following weight allocations and then taking the sum of the three weighted rankings:

- FMC: 30%
- Liquidity: 30%
- Fundamental variable: 40%

Divide each stock's joint rating by the aggregate joint ratings for all 30 stocks. This becomes each stock's weight in the index, subject to the following diversification requirements:

- At each rebalancing, each individual stock is subject to a weight cap of 25%.
- At each rebalancing, the aggregate weight of the five largest stocks cannot exceed 60%.

**Rebalancing.** Index composition is reconstituted annually, effective after the market close on the third Friday of June. The rebalancing reference date is the last business day of April. In addition, the index is reweighted outside of the annual rebalancing, effective after the market close on the third Friday of December. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.

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<sup>2</sup> The Sharpe ratio is calculated by subtracting the annualized risk-free rate (28-day TIE) from the Bursa Optimo Index average daily returns and dividing the result by the standard deviation of the Bursa Optimo Index average daily returns. Average daily returns are annualized and calculated over the four months prior to the rebalancing reference date.

## S&P/BMV China SX20 Index

**Index Universe.** The Index Universe consists of all stocks domiciled in China listed on the BMV's SIC (International Quotation System) and listed in the U.S. on U.S. exchanges (NYSE, Nasdaq, or OTC).

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Trading History.** Stocks must have a trading history of at least six months.
- **Multiple Share Classes.** If a company has multiple share classes, the most liquid share class, based on Global Marketability Scores, is selected.

*For more information on Marketability Scores, please refer to the BMV Marketability Index Methodology available at [www.bmv.com.mx/docs-pub/INDICES/CTEN\\_INOT/BMV\\_MARKETABILITY\\_INDEX\\_METHODOLOGY.PDF](http://www.bmv.com.mx/docs-pub/INDICES/CTEN_INOT/BMV_MARKETABILITY_INDEX_METHODOLOGY.PDF).*

**Constituent Selection.** All stocks in the Selection Universe are ranked based on the following:

1. **Marketability Factor.** Stocks are ranked in descending order based on their average Global Marketability Scores over the six-month period prior to the rebalancing reference date.  
If a stock has traded for less than six months on the BMV's SIC, the available monthly values will be averaged using a value of 0 for non-SIC trading months during the reference period for the average Global Marketability Score calculation.
2. **VWAP FMC.** Stocks are ranked in descending order based on their VWAP FMCs. The VWAP FMC is calculated by multiplying the number of shares outstanding by the assigned company's IWF and by the VWAP (Volume Weighted Average Price) during the six-month period prior to the rebalancing reference date.

After rankings for each of the above factors have been assigned to all stocks in the Selection Universe, a joint rating is calculated for each stock by adding up the two rankings.

The 20 stocks with the lowest joint ratings are selected and form the index.

In cases where two or more stocks have the same joint rating, the stock with the highest VWAP FMC is selected.

**Constituent Weightings.** The index is FMC weighted, subject to the following constraints:

- No single stock's weight can exceed 15%, and
- The aggregate weight of the five largest stocks cannot exceed 60%.

**Rebalancing.** Index composition is reconstituted semi-annually, effective after the market close on the third Friday of March and September. The rebalancing reference date is the last business day of January and July, respectively. In addition, the index is reweighted outside of the semi-annual reconstitutions, effective after the market close on the third Friday of June and December. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.

## S&P/BMV FIBRAS Index

**Index Universe.** The Index Universe consists of all stocks in the equity market listed on the BMV that are classified as Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS).

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Trading History.** Stocks must not have five or more non-trading days over the prior three-month period.
- **Multiple Share Classes.** If a company has multiple share classes, the share class with the highest value traded is selected.

**Constituent Selection.** All stocks in the Selection Universe are ranked based on value traded. Value traded is represented by the median of the monthly medians of value traded for the prior six-month period. The monthly median daily value traded (MDVT) is defined as the median of the daily value traded for a given company in a given month. The value traded is calculated by multiplying the number of shares traded by each stock's price.

The 20 highest ranking stocks, based on value traded, are selected and form the index. If the Selection Universe consists of fewer than 20 stocks, then all stocks in the Selection Universe are selected and form the index.

**Constituent Weightings.** At each rebalancing, constituents are FMC weighted. This is done using an optimization procedure that chooses final weights in such a way as to minimize the sum of the squared differences of capped weight and uncapped weight, divided by uncapped weight for each stock, subject to the following constraints:

- No single stock's weight can exceed 25%.
- The aggregate weight of stocks with weights greater than 15% cannot exceed 60%.
- The weight of any individual stock is restricted to a maximum liquidity weight calculated as each stock's six-month MDVT divided by the sum of the six-month MDVT for all stocks in the index, multiplied by three.

At times, the index's constituent count may require the capping rules to be relaxed. Where the capping algorithm fails, the liquidity weight cap is relaxed by 0.5 in each iteration until a solution is found.

**Rebalancing.** The index is rebalanced semi-annually, effective after the market close on the third Friday of June and December. The rebalancing reference date is the last business day of April and October, respectively. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.

## S&P/BMV FIBRAS Composite Index

**Index Universe.** The Index Universe consists of all stocks listed on the BMV that are classified as Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS), Energy and Infrastructure Investment Trusts (Fideicomisos de Inversión en Energía e Infraestructura or FIBRAS E), and Mortgage Trusts (Fideicomisos Hipotecarios).

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Trading History.** Stocks must have traded on at least 80% of the available trading days over the prior six-month period as of the rebalancing reference date.
- **Multiple Share Classes.** 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 Methodology.

**Constituent Selection.** All stocks in the Selection Universe are selected and form the index.

**Constituent Weightings.** The index is weighted by FMC, subject to the following constraints:

- No single constituent's weight can exceed 20%.
- The aggregate weight of constituents with weights greater than 15% is capped at 60%.

If at any rebalancing the constituent count is less than six, the above weighting constraints cannot be met, and the index is equal weighted.

**Rebalancing.** The index is rebalanced semi-annually, effective after the market close on the third Friday of June and December. The rebalancing reference date is the last business day of April and October, respectively. In addition, the index is reweighted outside of the semi-annual rebalancings, effective after the market close on the third Friday of March and September. Index shares are calculated using closing prices on the Wednesday prior to the second Friday of the rebalancing month as the reference price. Index shares are calculated and assigned to each stock to arrive at the weights determined on the reference date. Since index shares are assigned based on prices prior to rebalancing, the actual weight of each constituent at the rebalancing differs somewhat from these weights due to market movements.

## S&P/BMV Dividend Index

**Index Universe.** The Index Universe consists of all stocks in the S&P/BMV IPC Index adjusted for any composition changes due to the current rebalancing.

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Trading History.** Stocks must have a trading history of at least three months.
- **Dividend Payments.** For a given stock, dividends must have been paid for at least four years in the prior five-year period. If less than 20 stocks are eligible as of the reference date, the rule will be relaxed so that dividends must have been paid for at least three years in the prior five-calendar year period.
- **Marketability Score.** A stock must have a Marketability Score.

*For more information on Marketability Scores, please refer to the BMV Marketability Index Methodology available at [www.bmv.com.mx/docs/pub/INDICES/CTEN\\_INOT/BMV\\_MARKETABILITY\\_INDEX\\_METHODOLOGY.PDF](http://www.bmv.com.mx/docs/pub/INDICES/CTEN_INOT/BMV_MARKETABILITY_INDEX_METHODOLOGY.PDF).*

**Constituent Selection.** All stocks in the Selection Universe are ranked based on the following:

1. **Turnover Factor.** This factor is calculated as follows:
  - a. Calculate the median share volume (Subtracting from the daily volume of each issuer, the volume of Cross Trades that exceeds the average of the market's Cross Trades activity of the last 12 months plus 1.5 standard deviations) for each month, for the trailing 12 months leading up to the rebalancing reference date.
  - b. Divide each of the monthly median share volume figures by the float-adjusted shares outstanding. The float-adjusted shares outstanding are as of the same date that is used for the median share volume. For example, if the median share volume for a given stock is from the 15<sup>th</sup> of the month, the float-adjusted shares outstanding are also as of the 15<sup>th</sup> of that same month. This is the monthly turnover ratio.
  - c. Determine the median of the available monthly turnover ratios from Step 1b.
  - d. Divide the median monthly turnover ratio for each company calculated in Step 1c by the maximum median monthly turnover ratio calculated in the sample.
2. **Marketability Factor.** Stocks are ranked in descending order based on their Marketability Scores as of the rebalancing reference date. The factor is calculated by dividing the top ranked stock (i.e., rank of 1) by each stock's rank.
3. **Dividend Yield Factor.** This factor is calculated as follows:
  - a. Calculate the average annual dividend yield for the last five complete calendar years prior to the rebalancing reference date. Dividend types included in the calculation are regular cash dividends, special dividends, and stock dividends.
  - b. Smooth the average dividend yield by dividing each company's average yield calculated in Step 3a by the maximum average yield calculated in the sample.

A joint rating is then calculated for each of the stocks in the Selection Universe by multiplying the three independent factors previously calculated by the following weight allocations:

- Turnover Factor: 5%
- Marketability Factor: 25%
- Dividend Yield: 70%

The sum of the resulting weighted factors is the joint rating for each stock. The 20 stocks with the highest joint rating are selected and form the index. In cases where two or more stocks have the same joint rating, the stock with the highest FMC is selected.

**Constituent Weightings.** The index is weighted based on each stock's five-year average income, defined as the five-year rolling average of the annual dividend amount per share multiplied by the shares outstanding and by the float factor, subject to the following constraints:

- No single stock's weight can exceed 10%.
- The annual dividend per share figure includes regular cash dividends, special dividends, and stock dividends.

**Rebalancing.** Index composition is reconstituted annually, effective after the market close on the third Friday of March. The rebalancing reference date is the last business day of January. In addition, the index is reweighted quarterly outside of the annual rebalancing, effective after the market close on the third Friday of June, September, and December. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.



## S&P/BMV IPC CompMx Trailing Income Equities Index

**Index Universe.** The Index Universe consists of all stocks in the S&P/BMV IPC CompMx Index adjusted for any composition changes due to the current rebalancing.

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Trading History.** Stocks must have a trading history of at least three months.
- **Dividend Payments.** For a given stock, the 5-year average dividend per share (DPS) must be greater than zero. The DPS includes regular cash dividends, special dividends, and stock dividends. Ex-dates are used to measure DPS. In case where a stock has less than 5 years of paying dividends, no data equals zero.
- **Marketability Score.** A stock must be classified as High Marketability. Marketability Scores are calculated by the BMV and are based on stocks' daily trading activity.
- **Multiple Share Classes.** Each company is represented once by the listing with the highest dividend yield subject to meeting the eligibility criteria. In the event multiple lines meet the eligibility criteria and have similar dividend yields, the Designated listing is selected. For more information regarding the treatment of multiple share classes, please refer to Approach C within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

*For more information on Marketability Scores, please refer to the BMV Marketability Index Methodology available at [www.bmv.com.mx/docs-pub/INDICES/CTEN/INOT/BMV\\_MARKETABILITY\\_INDEX\\_METHODOLOGY.PDF](http://www.bmv.com.mx/docs-pub/INDICES/CTEN/INOT/BMV_MARKETABILITY_INDEX_METHODOLOGY.PDF).*

**Constituent Selection.** All stocks in the Selection Universe are ranked based on the following:

1. **Turnover Factor.** This factor is calculated as follows:
  - a. Calculate the median share volume (subtracting from the daily volume of each issuer the volume of Cross Trades that exceeds the average of the market's Cross Trades activity from the last 12 months, plus 1.5 standard deviations) for each month, for the trailing 12 months leading up to the rebalancing reference date.
  - b. Divide each of the monthly median share volume figures by the float-adjusted shares outstanding. The float-adjusted shares outstanding are as of the same date that is used for the median share volume. For example, if the median share volume for a given stock is from the 15<sup>th</sup> of the month, the float-adjusted shares outstanding are also as of the 15<sup>th</sup> of that same month. This is the monthly turnover ratio.
  - c. Determine the median of the available monthly turnover ratios from Step 1b.
  - d. Divide the median monthly turnover ratio for each company calculated in Step 1c by the maximum median monthly turnover ratio calculated in the sample.
2. **Marketability Factor.** Stocks are ranked in descending order based on their Marketability Scores as of the rebalancing reference date. The factor is calculated by dividing the top ranked stock (i.e., rank of 1) by each stock's rank.
3. **Dividend Yield Factor.** This factor is calculated as follows:
  - a. Calculate the average annual dividend yield for the last five years prior to the rebalancing reference date. Dividend types included in the calculation are regular cash dividends, special dividends, and stock dividends. Ex-dates are used to measure DPS. In case where a stock has less than 5 years of paying dividends, no data equals zero.
  - b. Smooth the average dividend yield by dividing each company's average yield calculated in Step 3a by the maximum average yield calculated in the sample.

A joint rating is then calculated for each of the stocks in the Selection Universe by multiplying the three independent factors by the following weight allocations:

- Turnover Factor: 5%
- Marketability Factor: 25%
- Dividend Yield: 70%

The sum of the resulting weighted factors is the joint rating for each stock.

The 30 stocks with the highest joint rating are selected, and from that, the 25 companies with the highest FMC form the index.

**Constituent Weightings.** The index is weighted based on each stock's five-year average income, defined as the five-year rolling average of the annual dividend amount per share multiplied by FMC, subject to the following constraints:

- No single stock's weight can exceed 10%.

**Rebalancing.** Index composition is reconstituted annually, effective after the market close on the third Friday of June. The rebalancing reference date is the last business day of April. In addition, the index is reweighted quarterly, effective after the market close on the third Friday of March, September, and December. Constituents' index shares are calculated using closing prices on the Wednesday prior to the second Friday of the rebalancing month as the reference price.

## S&P/BMV IPC CompMx Trailing Income Equities ESG Tilted Index

**Index Universe.** The Index Universe consists of all stocks in the S&P/BMV IPC CompMx Trailing Income Equities Index covered by Sustainalytics, adjusted for any composition changes due to the current rebalancing.

**Exclusions Based on Business Activities.** As of each rebalancing reference date, companies with the following specific business activities, as determined by Sustainalytics, are excluded from the eligible universe:

Sustainalytics Product Involvement	Sustainalytics Category of Involvement and Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
Controversial Weapons	<b>Tailor Made and Essential:</b> The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	NA	>0%	≥25%
	<b>Non-Tailor Made or Non-Essential:</b> The company provides components/services for the core weapon system which are either not considered tailor-made or not essential to the lethal use of the weapon		>0%	≥25%
Thermal Coal	<b>Extraction:</b> The company extracts thermal coal.	Revenue	≥5%	N/A
	<b>Generation:</b> The company generates electricity from thermal coal.		≥5%	N/A
Tobacco Products	<b>Production:</b> The company manufactures tobacco products.	Revenue	>0%	≥25%
	<b>Related Products/Services:</b> The company supplies tobacco-related products/services.		≥5%	N/A
	<b>Retail:</b> The company derives revenues from the distribution and/or retail sale of tobacco products.		≥5%	N/A
Oil Sands	<b>Extraction:</b> The company extracts oil sands.	Revenue	≥5%	N/A
Small Arms	<b>Civilian customers (assault weapons):</b> The company manufactures and sells assault weapons to civilian customers.	Revenue	>0%	≥25%
	<b>Civilian customers (non-assault weapons):</b> The company manufactures and sells small arms (non-assault weapons) to civilian customers.		>0%	≥25%
	<b>Military/law enforcement customers:</b> The company manufactures and sells small arms to military/law enforcement.		>0%	≥25%
	<b>Key components:</b> The company manufactures and sells key components of small arms.		>0%	≥25%
	<b>Retail/Distribution (assault weapons):</b> The company is involved in the retail and/or distribution of assault weapons.		≥5%	N/A
	<b>Retail/distribution (non-assault weapons):</b> The company is involved in the retail and/or distribution of small arms (non-assault weapons).		≥5%	N/A
Military Contracting	<b>Weapons:</b> The company manufactures military weapon systems and/or integral, tailor-made components or these weapons.	Revenue	≥10%	N/A
	<b>Weapon-related products and services:</b> The company provides tailor-made products and/or services that support military weapons.		≥10%	N/A

S&P DJI Level of Involvement refers to the company's direct exposure to such products, while Significant Ownership indicates where the company has indirect involvement via some specified level of ownership of a subsidiary company with involvement.

Companies without Sustainalytics coverage are ineligible for index inclusion until they receive such coverage.

**Exclusions Based on Sustainalytics' Global Standards Screening.** Sustainalytics Global Standards Screening (GSS) provides an assessment of a company's impact on stakeholders and the extent to which a company causes, contributes or is linked to violations of international norms and standards. The basis of the GSS' assessments is the United Nations (UN) Global Compact Principles shown in the table below. Information regarding related standards is also provided in the screening, including the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions. Sustainalytics classifies companies into the following three statuses:

- **Non-Compliant:** classification given to companies that do not act in accordance with the UNGC principles and their associated standards, conventions, and treaties.
- **Watchlist:** classification given to companies that are at risk of violating one or more principles, for which all dimensions for Non-Compliant status could not be established or confirmed.
- **Compliant:** classification given to companies that act in accordance with the UNGC principles and their associated standards, conventions, and treaties.

As of each rebalancing reference date, companies classified as Non-Compliant, according to Sustainalytics, are ineligible for index inclusion.

Companies without Sustainalytics coverage are ineligible for index inclusion until they receive such coverage.

*For more information on Sustainalytics, please refer to <http://www.sustainalytics.com/>.*

Except for spin-offs from companies with coverage, companies without Sustainalytics coverage are ineligible for index inclusion until they receive such coverage. Spin-offs are assigned the exclusion designations of the respective parent company as of the ex-date and will retain these designations until assessed by Sustainalytics at the subsequent rebalancing.

**Controversies: Media and Stakeholder Analysis Overlay.** In addition to the above, S&P Global uses RepRisk, a leading data science company, for daily filtering, screening, and analysis of ESG risk incidents and controversial activities related to companies within the indices.<sup>3</sup>

In cases where risks are presented, S&P Global releases a Media and Stakeholder Analysis (MSA) which includes a range of issues such as economic crime and corruption, fraud, illegal commercial practices, human rights issues, labor disputes, workplace safety, catastrophic accidents, and environmental disasters.

The Index Committee will review constituents that have been flagged by S&P Global's MSA to evaluate the potential impact of controversial company activities on the composition of the indices. In the event that the Index Committee decides to remove a company in question, that company would not be eligible for re-entry into the index for one full calendar year, beginning with the subsequent rebalancing.

*For more information on RepRisk, please refer to [www.reprisk.com](http://www.reprisk.com). This service is not considered a direct contribution to the index construction process.*

**Index Construction.** At each rebalancing, all eligible constituents of the underlying index are selected and form the index.

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<sup>3</sup> RepRisk, an ESG data science company, leverages the combination of AI and machine learning with human intelligence to systematically analyze public information in 23 languages and identify material ESG risks. With daily data updates across 100+ ESG risk factors, RepRisk provides consistent, timely, and actionable data for risk management and ESG integration across a company's operations, business relationships, and investments.

**Constituent Weighting.** In addition to the weighting process defined below, constituent's weights are subject to a single stock weight cap of 10%. At each rebalancing, the weights of all tilting groups are neutral to their weights in the eligible universe. Tilting Groups are the GICS Industry Groups and/or Sectors in the underlying index depending on constituent count and composition. Constituents' weights in each tilting group are determined using an ESG Tilt Score ( $S_i$ ).

Each ESG Tilt Score ( $S_i$ ) is calculated as follows:

- a. The S&P DJI ESG Score for each company is transformed into an ESG z-score ( $Z_i$ ) at the underlying index level by:
  - i. Dividing by 100 and taking the inverse of the normal cumulative distribution function with a mean of zero and a standard deviation of one.
  - ii. The ESG z-score ( $Z_i$ ) for each security is re-standardized using the mean and standard deviation of the available S&P DJI ESG z-scores for the unique companies within the index universe before applying exclusions based on business activities, Sustainalytics' Global Standards Screening and MSA.
- b. If a company does not have an S&P DJI ESG Score, it will be assigned an ESG z-score ( $Z_i$ ) set as equal to the lowest available ESG z-score value from the companies within its Tilting Group. If no companies have scores within the Tilting Group, the company will be assigned an ESG z-score of zero.
- c. The ESG z-score ( $Z_i$ ) for each company is transformed into the ESG Tilt Score ( $S_i$ ) as follows:
 
$$\begin{aligned} \text{If } Z_i > 0, \quad S_i &= 1 + Z_i \\ \text{If } Z_i < 0, \quad S_i &= 1/(1 - Z_i) \\ \text{If } Z_i = 0, \quad S_i &= 1 \end{aligned}$$

The index is Industry Group / Sector Tilted, with the Tilting Groups determined on each rebalancing reference date as follows:

- Where a GICS Sector contains any GICS Industry Group with fewer than two S&P DJI ESG Scores available, the GICS Sector is the Tilting Group.
- For the remaining Sectors (if any) where all Industry Groups have at least two S&P DJI ESG scores, the Industry Groups each form individual Tilting Groups.

After the Tilting Group(s) are determined as above, the constituent weights are calculated as follows:

1. A Tilting Group's weight in the index is calculated as the sum of constituents' weights in the Tilting Group divided by the sum of all index constituents' weights.

$$Weight_{Tilting\ Group} = \frac{\sum Index\ Weight, \text{ for all constituents in Tilting Group}}{\sum Index\ Weight, \text{ for all index constituents}}$$

2. Within each Tilting Group, a constituent's weight is multiplied by its company ESG Tilt Score ( $S_i$ ). The constituent weights within the Tilting Group are determined by dividing the constituent's tilted weight by the sum of all tilted weights within the Tilting Group.

$$Weight_{Constituent\ in\ Tilting\ Group} = \frac{Constituent\ Index\ Weight * S_i}{\sum Index\ Weight * S_i, \text{ for all constituents in Tilting Group}}$$

3. The final constituent weight in each index is the product of Step 1 and Step 2 above, with the constraint that no single stock's weight can exceed 10%. The capping algorithm redistributes the excess weight to the uncapped stocks in the eligible universe in proportion to their ESG tilted weights (pre-capped weights from Step 3).

$$Weight_{Constituent} = Weight_{Tilting\ Group} * Weight_{Constituent\ in\ Tilting\ Group}$$

**Rebalancing.** Index composition is reconstituted quarterly, effective after the market close on the third Friday of March, June, September, and December. The rebalancing reference date is the last business day of January, April, July, and October. June's rebalancing uses the updated S&P DJI ESG Scores, and the same scores are used in September, December, and March rebalances. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.

## S&P/BMV Analytical Sector Indices

**Index Universe.** The Index Universe consists of all stocks in the equity market listed on the BMV, excluding Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS), Energy and Infrastructure Investment Trusts (Fideicomisos de Inversión en Energía e Infraestructura or FIBRAS E) and Mortgage Trusts.

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Multiple Share Classes.** If a company has multiple share classes, the most liquid share class, based on Marketability Scores, is selected.
- **Marketability Score.** A stock must have a Marketability Score.

For more information on Marketability Scores, please refer to the BMV Marketability Index Methodology available at [www.bmv.com.mx/docs-pub/INDICES/CTEN\\_INOT/BMV\\_MARKETABILITY\\_INDEX\\_METHODOLOGY.PDF](http://www.bmv.com.mx/docs-pub/INDICES/CTEN_INOT/BMV_MARKETABILITY_INDEX_METHODOLOGY.PDF).

**Constituent Selection.** Stocks from the Selection Universe are selected as follows:

1. Stocks are categorized into one of ten sectors, in accordance with the BMV's proprietary industry classification system. Stocks in the following seven sectors are eligible:<sup>4</sup>
  - Consumer Discretionary & Services
  - Consumer Staples
  - Financial Services
  - Health Care
  - Industrials
  - Materials
  - Telecommunication Services

For more information on the BMV's proprietary industry classification system, please refer to the BMV's Sector Classification Structure available at [www.bmv.com.mx/en/markets/classification](http://www.bmv.com.mx/en/markets/classification).

2. Stocks in each sector category are selected and form the respective corresponding S&P/BMV Analytical Sector Index.

**Constituent Weightings.** Each stock in the index is weighted based on total market capitalization.

**Rebalancing.** Index composition is reconstituted annually, effective after the market close on the third Friday of March. The rebalancing reference date is the last business day of January. In addition, each index is reweighted quarterly outside of the annual rebalancing, effective after the market close on the third Friday of June, September, and December.

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<sup>4</sup> At each rebalancing, if a given S&P/BMV Analytical Sector Index does not have any eligible stocks, that index will not be calculated.

## S&P/BMV Economic Activity Indices

**Index Universe.** The Index Universe consists of all stocks in the equity market listed on the BMV, excluding Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS), Energy and Infrastructure Investment Trusts (Fideicomisos de Inversión en Energía e Infraestructura or FIBRAS E) and Mortgage Trusts.

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Trading History.** Stocks must have a trading history of at least three months. In addition, stocks must have traded on at least 80% of the available trading days over the prior 12-month period as of the rebalancing reference date. For stocks with less than 12 months of trading history (e.g., initial public offerings), the threshold is applied to the available trading history.
- **Liquidity.** Stocks must be categorized in either the high or medium liquidity tiers, based on Marketability Scores from two months prior to the rebalancing date. For example, Marketability Scores from April are used for the annual rebalancing, effective after the market close on the third Friday of June.
- **Multiple Share Classes.** If a company has multiple share classes, the most liquid share class, based on Marketability Scores, is selected.

For more information on Marketability Scores, please refer to the BMV Marketability Index Methodology available at [www.bmv.com.mx/docs-pub/INDICES/CTEN/INOT/BMV\\_MARKETABILITY\\_INDEX\\_METHODOLOGY.PDF](http://www.bmv.com.mx/docs-pub/INDICES/CTEN/INOT/BMV_MARKETABILITY_INDEX_METHODOLOGY.PDF).

**Constituent Selection.** Stocks from the Selection Universe are selected as follows:

1. Stocks are categorized into one of the following economic activity clusters detailed in the following table:

Index	Economic Activity Clusters
S&P/BMV Commercial Services Index	Commerce and Services
S&P/BMV Construction Index	Construction
S&P/BMV Financial Services Index	Financial Services
S&P/BMV Infrastructure & Transportation Index	Infrastructure and Transportation
S&P/BMV Manufacturing, Electricity, & Water Index	Manufacturing, Electricity, Gas and Water
S&P/BMV Mining & Agriculture Index	Mining and Agriculture
S&P/BMV Retail & Distributors Index	Retail & Distributors

Each Economic Activity Cluster is made up of the sub-industries specified in *Appendix I*. Stocks are categorized into the sub-industries in accordance with the BMV's proprietary industry classification system.

For more information on the BMV's proprietary industry classification system, please refer to the BMV's Sector Classification Structure available at [www.bmv.com.mx/en/markets/classification](http://www.bmv.com.mx/en/markets/classification).

2. Stocks in each Economic Activity Cluster category are selected and form the respective corresponding S&P/BMV Economic Activity Index.
3. Each index seeks to select a target minimum of 10 constituents. If there are fewer than 10 constituents in a given index at the annual rebalancing, the liquidity criterion is relaxed to allow the selection of otherwise eligible stocks classified as part of the low liquidity tier. If such a relaxation is required, non-constituent eligible stocks in the low liquidity tier are ranked by marketability score and selected, in descending order, until the target minimum constituent count of 10 is reached. However, there is no formal minimum constituent count, and at times, an index's constituent count may fall below 10.



**Constituent Weightings.** Each index is weighted based on FMC, subject to a single stock weight cap of 12%.<sup>5</sup>

**Rebalancing.** Index composition is reconstituted annually, effective after the market close on the third Friday of June. The rebalancing reference date is the last business day of April. In addition, each index is reweighted quarterly outside of the annual rebalancing, effective after the market close on the third Friday of March, September, and December. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.

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<sup>5</sup> Weight capping is not applied if the constituent count falls below 10.

## S&P/BMV Investable Select Sector Indices

**Index Universe.** The Index Universe consists of all stocks in the equity market listed on the BMV, excluding Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS), Energy and Infrastructure Investment Trusts (Fideicomisos de Inversión en Energía e Infraestructura or FIBRAS E) and Mortgage Trusts.

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Trading History.** Stocks must have a trading history of at least three months. In addition, stocks must have traded on at least 80% of the available trading days over the prior 12-month period as of the rebalancing reference date. For stocks with less than 12 months of trading history (e.g., initial public offerings), the threshold is applied to the available trading history.
- **Multiple Share Classes.** If a company has multiple share classes, the most liquid share class, based on Marketability Scores, is selected.
- **Investable Weight Factor (IWF).** Stocks must have an IWF of at least 0.12.

**Constituent Selection.** Stocks from the Selection Universe are selected as follows:

1. Stocks are categorized into one of ten sectors in accordance with the BMV's proprietary industry classification system. Stocks in the following four sectors are eligible:
  - Consumer Staples
  - Financial Services
  - Industrials
  - Materials

*For more information on the BMV's proprietary industry classification system, please refer to the BMV's Sector Classification Structure available at [www.bmv.com.mx/en/markets/classification](http://www.bmv.com.mx/en/markets/classification).*

2. Stocks in each sector category that are classified as being in either the high or medium liquidity tiers, based on Marketability Scores from two months prior to the rebalancing date, are selected and form the respective corresponding S&P/BMV Investable Select Sector Index. For example, Marketability Scores from January are used for the annual rebalancing effective after the market close of the third Friday of March.

*For more information on Marketability Scores, please refer to the BMV Marketability Index Methodology available at [www.bmv.com.mx/docs-pub/INDICES/CTEN\\_INOT/BMV\\_MARKETABILITY\\_INDEX\\_METHODOLOGY.PDF](http://www.bmv.com.mx/docs-pub/INDICES/CTEN_INOT/BMV_MARKETABILITY_INDEX_METHODOLOGY.PDF).*

3. If the constituent count of a given index is less than 10 at the annual rebalancing, then Step 2 is relaxed so that the index can also include eligible stocks classified in the low liquidity tier. In this case, stocks are ranked by marketability score and are selected from largest to lowest until the minimum count is reached. However, there is no formal minimum constituent count and at times an index's constituent count may fall to below 10.

**Constituent Weightings.** Each index is weighted based on FMC, subject to a single stock weight cap of 12%.<sup>6</sup>

**Rebalancing.** Index composition is reconstituted annually, effective after the market close on the third Friday of March. The rebalancing reference date is the last business day of January. In addition, each index is reweighted quarterly outside of the annual rebalancing, effective after the market close on the third Friday of June, September, and December. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.

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<sup>6</sup> Equal weight capping is applied if the constituent count falls below 10.

## **S&P/BMV IPC CompMx Index and S&P/BMV Total Mexico Index**

**Index Universe.** The Index Universe for each index is defined as follows:

**S&P/BMV IPC CompMx.** All stocks in the equity market listed on the BMV, excluding Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS), Energy and Infrastructure Investment Trusts (Fideicomisos de Inversión en Energía e Infraestructura or FIBRAS E) and Mortgage Trusts.

**S&P/BMV Total Mexico Index.** All stocks in the equity market listed on the BMV, including Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS) and Mortgage Trusts, excluding Energy and Infrastructure Investment Trusts (Fideicomisos de Inversión en Energía e Infraestructura or FIBRAS E).

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Market Capitalization and Investable Weight Factor (IWF).** Stocks must have an IWF of at least 0.12 or an FMC of at least MXN10 billion.
- **Liquidity.** The liquidity criteria are as follows:
  - Stocks must have a monthly median traded value ratio (MTVR) of at least 1% over the prior three-month and 12-month periods, and a MDVT of at least MXN 4 million over the prior three-month period.
  - Current index constituents remain eligible if they have a MTVR of at least 0.5% over the prior three-month and 12-month periods, and a MDVT of at least MXN 2 million over the prior three-month period.
  - The monthly MTVR is determined as follows:
    1. Calculate the MDVT for every month.
    2. Calculate the number of days traded for every month.
    3. Calculate the month-end FMC.
    4.  $MTVR = (\text{Result from Step 1} * \text{Result from Step 2}) / \text{Result from Step 3}$ .
    5. Calculate the average MTVR for three months and 12 months.
- **Trading History.** The trading history criteria is as follows:
  - Stocks must have traded on at least 90% of the available trading days over the prior 12-month period.
  - For stocks with less than 12 months of trading history (e.g., initial public offerings), the 90% threshold is applied to the available trading history.
  - Current index constituents remain eligible if they have traded on at least 80% of the available trading days over the prior 12-month period and 95% over the prior three-month period.
- **Multiple Share Classes.** If a company has multiple share classes, all share classes are eligible provided that they individually satisfy the other eligibility criteria. Each share class line included in the index is weighted based on its individual FMC.

**Constituent Selection.** All stocks in the Selection Universe are selected and form the index.

**Constituent Weightings.** The index is weighted based on FMC, subject to the following constraints:

- No single stock's weight can exceed 25%.

- The aggregate weight of the five largest stocks cannot exceed 60%.

**Rebalancing.** Index composition is reconstituted semi-annually, effective after the market close on the third Friday of June and December. The rebalancing reference date is the last business day of April and October, respectively. In addition, the index is reweighted outside of the semi-annual reconstitutions, effective after the market close on the third Friday of March and September. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.

### **S&P/BMV IPC CompMx Ex-Financials Index**

At each rebalancing all stocks in the S&P/BMV IPC CompMX (the “underlying index”), excluding those classified as part of the GICS Financials Sector (Code: 40), are selected and form the index.

**GICS Reclassification.** GICS classification is reviewed on a monthly basis, and index constituents whose classification becomes ineligible are deleted from the index at the time the reclassification occurs for the underlying index and added to the index if the stock is no longer classified as Financials Sector.

**Index Maintenance.** All index adjustments and corporate action treatments, including rebalancings, follow the underlying index.

**Constituent weights.** Constituents are weighted according to the rules of the underlying index.

## S&P/BMV Total Mexico ESG Index

**Approach.** The index uses a transparent, rules-based, constituent selection process based on companies' ESG score resulting from the S&P Global 'Corporate Sustainability Assessment' (CSA). S&P Global uses the CSA results to then calculate the S&P DJI ESG Scores that are used in the index methodology. A company's ESG score may either be calculated from data received directly by a company completing the comprehensive assessment (together with supporting documents), or – in the absence of this – by using publicly available information.

For more information on the S&P Global CSA, please refer to <https://www.spglobal.com/esg/csa/>.

For more information on S&P DJI ESG Scores, please refer to the S&P DJI ESG Scores Methodology.

For the purposes of ESG assessment, companies are assigned to CSA Industries defined by S&P Global and the assessment is largely specific to each industry. S&P Global uses the Global Industry Classification Standard (GICS®) as its starting point for determining industry classification. At the industry group and sector levels, the S&P Global CSA Industries match the standard GICS classifications, but some non-standard aggregations are done at the industry level.)

For information on S&P Global CSA Industry-GICS Sub-Industry Mapping, please see [here](#).

The indices are generated and published under agreements between S&P Dow Jones Indices, Bolsa Mexicana de Valores, and S&P Global.

**Index Universe.** The index universe consists of all stocks in the S&P/BMV Total Mexico Index (the "Underlying Index"), adjusted for any composition changes due to the current rebalancing.

**Exclusions Based on Business Activities.** As of each rebalancing reference date, companies with the following specific business activities, as determined by Sustainalytics, are excluded from the eligible universe:

Sustainalytics Product Involvement	Sustainalytics Category of Involvement and Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
Controversial Weapons	<b>Tailor Made and Essential:</b> The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	NA	>0%	≥25% <sup>7</sup>
	<b>Non-Tailor Made or Non-Essential:</b> The company provides components/services for the core weapon system which are either not considered tailor-made or not essential to the lethal use of the weapon		>0%	≥25%
Thermal Coal	<b>Extraction:</b> The company extracts thermal coal.	Revenue	≥5%	N/A
	<b>Generation:</b> The company generates electricity from thermal coal.		≥5%	N/A
Tobacco Products	<b>Production:</b> The company manufactures tobacco products.	Revenue	>0%	≥25%
	<b>Related Products/Services:</b> The company supplies tobacco-related products/services.		≥5%	N/A
	<b>Retail:</b> The company derives revenues from the distribution and/or retail sale of tobacco products.		≥5%	N/A
Oil Sands	<b>Extraction:</b> The company extracts oil sands	Revenue	≥5%	N/A

<sup>7</sup> Prior to January 2019, Sustainalytics did not collect data on the corporate ownership indicator, so index history before that date does not reflect the impact of the indicator. The indicator, along with the other categories of involvement indicators, is applied at each rebalancing from January 2019 onwards.

Sustainalytics Product Involvement	Sustainalytics Category of Involvement and Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
Small Arms	<b>Civilian customers (assault weapons):</b> The company manufactures and sells assault weapons to civilian customers.	Revenue	>0%	≥25%
	<b>Civilian customers (non-assault weapons):</b> The company manufactures and sells small arms (non-assault weapons) to civilian customers.		>0%	≥25%
	<b>Military/law enforcement customers:</b> The company manufactures and sells small arms to military/law enforcement.		>0%	≥25%
	<b>Key components:</b> The company manufactures and sells key components of small arms.		>0%	≥25%
	<b>Retail/Distribution (assault weapons):</b> The company is involved in the retail and/or distribution of assault weapons.		≥5%	N/A
	<b>Retail/distribution (non-assault weapons):</b> The company is involved in the retail and/or distribution of small arms (non-assault weapons).		≥5%	N/A
Military Contracting	<b>Weapons:</b> The company manufactures military weapon systems and/or integral, tailor-made components or these weapons.	Revenue	≥10%	N/A
	<b>Weapon-related products and services:</b> The company provides tailor-made products and/or services that support military weapons.		≥10%	N/A

S&P DJI Level of Involvement refers to the company's direct exposure to such products, while Significant Ownership indicates where the company has indirect involvement via some specified level of ownership of a subsidiary company with involvement.

Companies without Sustainalytics coverage are ineligible for index inclusion until they receive such coverage.

**Exclusions Based on Sustainalytics' Global Standards Screening.** As of each rebalancing reference date, companies identified and deemed by Sustainalytics to be "Non-Compliant" with the United Nations Global Compact (UNGC) are excluded from the eligible universe.

Sustainalytics' Global Standards Screening (GSS) provides an assessment of a company's impact on stakeholders and the extent to which a company causes, contributes, or is linked to violations of international norms and standards. The basis of the GSS assessments is the United Nations (UN) Global Compact Principles. Information regarding related standards is also provided in the screening, including the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions. Sustainalytics classifies companies into the following three statuses:

- **Non-Compliant:** classification given to companies that do not act in accordance with the UNGC principles and their associated standards, conventions, and treaties.
- **Watchlist:** classification given to companies that are at risk of violating one or more principles, for which all dimensions for Non-Compliant status could not be established or confirmed.
- **Compliant:** classification given to companies that act in accordance with the UNGC principles and their associated standards, conventions, and treaties.

As of each rebalancing reference date, companies classified as Non-Compliant, according to Sustainalytics, are ineligible for index inclusion.

Companies without Sustainalytics coverage are ineligible for index inclusion until they receive such coverage.

For more information on Sustainalytics, please refer to <http://www.sustainalytics.com>.

**Exclusions Based on ESG Score.** If a company does not have an S&P DJI ESG Score, then it is excluded from the indices. For more information on S&P DJI ESG scores, please refer to the *S&P DJI ESG Score Methodology*.

**Constituent Selection.** Eligible companies from the underlying index are selected according to the following process:

1. Eligible companies are ranked in descending order, by S&P DJI ESG Score<sup>8</sup>, as of the rebalancing reference date.
2. The top 80% of stocks, by count, with the highest S&P DJI ESG Scores are selected.
3. The selected stocks from Step 2 are ranked in descending order, by S&P DJI ESG Score, within their respective GICS Sectors.
4. For each GICS Sector the top 75% of stocks, by count, with the highest S&P DJI ESG Scores, without going above the 75% threshold, are selected and form the index.

If after step 3 any particular sector has only one eligible stock, that stock is selected. Therefore, the company for this sector may fall outside the 75% threshold required criteria.

**Constituent Weighting.** At each rebalancing, constituents are weighted by S&P DJI ESG Score, subject to the following constraints:

- The aggregate weight of the five largest stocks cannot exceed 60%.
- The maximum weight of each security is the lower of 25% and four times its liquidity weight. Liquidity is based on the security's six-month MDVT.

Note that the capping algorithm redistributes the excess weight to the other stocks in proportion to their S&P DJI ESG Score weights. Where the capping algorithm fails, the liquidity weight cap will be increased by 0.5, repeated iteratively until a solution is found.

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*.

**Rebalancing.** The index rebalances annually, after the market close on the third Friday of June. The rebalancing reference date is after the market close of the last business day of April. In addition, the index is reweighted quarterly outside of the annual rebalancing, effective after the market close on the third Friday of March, September, and December. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.

**Quarterly Eligibility Review.** Index constituents are reviewed on a quarterly basis for ongoing eligibility under the Business Activities and UNGC exclusion criteria. Companies determined to be ineligible are removed from the index, effective after the market close on the third Friday of March, September, and December. The reference date for this review is the last business day of the previous month. No constituent will be added to the index as a result of any deletion that may take place.

**Controversies: Media and Stakeholder Analysis Overlay.** In addition to the above, S&P Global uses RepRisk, for daily filtering, screening, and analysis of ESG risk incidents and controversial activities related to companies within the indices.<sup>9</sup>

In cases where risks are presented, S&P Global releases a Media and Stakeholder Analysis (MSA) which includes a range of issues such as economic crime and corruption, fraud, illegal commercial practices,

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<sup>8</sup> If companies have the same S&P DJI ESG Score, companies are additionally ranked by FMC.

<sup>9</sup> RepRisk, an ESG data science company, leverages the combination of AI and machine learning with human intelligence to systematically analyze public information in 23 languages and identify material ESG risks. With daily data updates across 100+ ESG risk factors, RepRisk provides consistent, timely, and actionable data for risk management and ESG integration across a company's operations, business relationships, and investments.



human rights issues, labor disputes, workplace safety, catastrophic accidents, and environmental disasters.

The Index Committee will review constituents flagged by S&P Global's MSA to evaluate the potential impact of controversial company activities on the composition of the indices. If the Index Committee decides to remove a company in question, that company is ineligible for re-entry into the index for one full calendar year, beginning with the subsequent rebalancing.

*For more information on RepRisk, please refer to [www.reprisk.com](http://www.reprisk.com). This service is not considered a direct contribution to the index construction process.*

## S&P/BMV IPC LargeCap, MidCap, and SmallCap Indices

**Index Universe.** The Index Universe consists of all stocks in the S&P/BMV IPC CompMx Index adjusted for any composition changes due to the current rebalancing.

**Selection Universe.** All stocks in the Index Universe that satisfy the following criterion as of the rebalancing reference date are selected and form the Selection Universe:

- **Multiple Share Classes.** If a company has multiple share classes, the most liquid share class based on the MTRV over the prior 12-month period is selected.

**Constituent Selection.** Size segments are based on the cumulative market capitalization within the S&P/BMV IPC CompMx. Companies are ranked by total market capitalization, and then FMC at the stock level is accumulated to 75% forming the S&P/BMV IPC LargeCap, the next 20% forming the S&P/BMV IPC MidCap, and the final 5% forming the S&P/BMV IPC SmallCap.

A +/- 3% buffer is applied to each index during rebalancing to minimize unnecessary turnover. For example, a current MidCap constituent meeting all eligibility requirements would transition to a LargeCap constituent if it is within the top 72% of cumulative FMC of all stocks, or a SmallCap constituent if it falls below 98% of the cumulative FMC. If the stock is between the 72-98% thresholds it will remain a MidCap constituent.

If a company has multiple share classes, the share classes are combined to measure the company's total market cap, and only the share class with the highest liquidity is selected.

A 10-stock minimum constituent count is required for each index.

**Constituent Weightings.** Each index is weighted based FMC, subject to the following constraints:

- No single stock's weight can exceed 25%.
- The aggregate weight of the five largest stocks cannot exceed 60%.
- The weight of any individual stock is restricted to a maximum weight calculated as each stock's six-month MDVT divided by the sum of the six-month MDVT for all stocks in the index, multiplied by two. If a stock's FMC weight exceeds the maximum weight, then that stock will be capped at its maximum weight and the excess weight will be redistributed proportionately to the remaining stocks that have not been capped.

**Rebalancing.** Each index is rebalanced semi-annually, effective after the market close on the third Friday of June and December. The rebalancing reference date is the last business day of April and October, respectively. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.

## S&P/BMV Market Makers Index

**Index Universe.** The Index Universe consists of all stocks in the S&P/BMV IPC CompMx Index adjusted for any composition changes due to the current rebalancing.<sup>10</sup>

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Market Maker Contract.** Each company must have an active contract with a Market Maker. Active contract data is provided by the BMV, via a publicly accessible link: [https://www.bmv.com.mx/en/Grupo\\_BMV/Formador\\_de\\_mercado](https://www.bmv.com.mx/en/Grupo_BMV/Formador_de_mercado).
- **Multiple Share Classes.** Each company is represented once in the index. If a company has multiple share classes, the share class with the highest trading volume, as measured by six-month MDVT, is selected.

**Constituent Selection.** All stocks in the Selection Universe are selected to form the index, subject to a buffer rule.

**Buffer Rule.** To reduce turnover, a buffer of six months on the maturity of the market maker contract is applied to constituent stocks and is implemented as follows:

- At each reference date, if a current index constituent does not have an active contract with a market maker, and the previous contract has a maturity date within six months prior to the reference date, the stock will remain in the index.
- If a current constituent suspends its contract with a Market Maker, the constituent must re-activate the contract within six months or is removed from the index.

**Constituent Weightings.** The index is weighted by FMC, subject to the following constraints:

- The weight of any single stock is restricted to 25%.
- The aggregate weight of the five largest stocks is restricted to 60%.
- The weight of any individual stock is restricted to a maximum weight calculated as each stock's six-month MDVT divided by the sum of the six-month MDVT for all stocks in the index, multiplied by two. If a stock's FMC weight exceeds the maximum weight, then that stock will be capped at its maximum weight and the excess weight will be redistributed proportionately to the remaining stocks that have not been capped.

**Rebalancing.** The index is rebalanced semi-annually, effective after the market close on the third Friday of June and December. The rebalancing reference date is the last business day of April and October, respectively. Index shares are calculated using the closing prices seven business days prior to the rebalancing effective date.

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<sup>10</sup> For history prior to the market close of 16 June 2017, the Index Universe was the S&P Mexico BMI excluding Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS) and Mortgage Trusts.

## S&P/BMV IPC Index

**Index Universe.** The Index Universe consists of all stocks in the equity market listed on the BMV, excluding Real Estate Investment Trusts (Fideicomiso de Inversión en Bienes Raíces or FIBRAS), Energy and Infrastructure Investment Trusts (Fideicomisos de Inversión en Energía e Infraestructura or FIBRAS E) and Mortgage Trusts.

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Investable Weight Factor (IWF).** Stocks must have an IWF of at least 0.10.
- **VWAP Float-Adjusted Market Capitalization.** The VWAP FMC must be at least MXN 10 billion (MXN 8 billion for current constituents). The VWAP FMC is calculated by multiplying the number of shares outstanding by the assigned company's IWF as of the rebalancing effective date and by the VWAP price (weighted average of the last three-month period prior to the reference date).
- **Trading History.** The trading history criteria is as follows:
  - Stocks must have a trading history of at least three months.
  - Stocks must have traded on at least 95% of the available trading days over the prior six-month period.
  - For stocks with less than six months of trading history (e.g., initial public offerings and spin-offs), the 95% threshold is applied to the available trading history.
- **Multiple Share Classes.** If a company has multiple share classes, the most liquid share class based on the MTRV over the prior six-month period is selected.

**Constituent Selection.** All stocks in the Selection Universe are evaluated based on the following liquidity criteria using data as of the rebalancing reference date:<sup>11</sup>

- Stocks must have a MDVT of at least MXN 50 million (MXN 30 million for current constituents) over the prior three-month and six-month periods.
- Stocks must have an annualized MTRV of at least 25% over the prior three-month and six-month periods.
- Current index constituents remain eligible if they have an annualized MTRV of at least 15% over the prior three-month and six-month periods.
- The monthly MTRV is determined as follows:
  1. Calculate the MDVT for every month.
  2. Calculate the number of days traded for every month.
  3. Calculate the month-end FMC.
  4.  $MTRV = (\text{Result from Step 1} * \text{Result from Step 2}) / \text{Result from Step 3}$ .
  5. Aggregate the most recent three months and annualize to obtain the three-month MTRV. Aggregate the most recent six months and annualize to obtain the six-month MTRV.

If there are more than 35 eligible stocks, then the eligible stocks are ranked, in descending order, based on a combined ranking of VWAP FMC and six-month MDVT. The stocks with the greatest rankings are excluded until the constituent count reaches 35.

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<sup>11</sup> The daily value traded of each stock used in the liquidity screenings excludes the value traded of cross trades that exceeds the average of the market's cross trades activity plus 1.5 standard deviations. Daily Value Traded is calculated as volume \* transaction price. Value Traded and Cross Trades data are sourced from the BMV. For more information on the calculation of the MDVT related to the index, please refer to Appendix VIII.

If there are less than 35 eligible stocks, then stocks in the Selection Universe not meeting the constituent selection liquidity criteria are ranked, in descending order, based on a combined ranking of VWAP FMC and six-month MDVT. The stocks with the lowest rankings are added to the index until the constituent count reaches 35.

In cases where two or more stocks have the same combined ranking, the most liquid stock based on MDVT is selected.

**Constituent Weightings.** The index is weighted based on FMC, subject to the following constraints:

- No single stock's weight can exceed 25%.
- The aggregate weight of the five largest stocks cannot exceed 60%.

**Rebalancing.** Index composition is reconstituted semi-annually, effective after the market close on the third Friday of March and September. The rebalancing reference date is the last business day of January and July, respectively. In addition, the index is reweighted outside of the semi-annual rebalancings, effective after the market close on the third Friday of June and December. Index shares are calculated using closing prices 12 business days prior to the respective March and September rebalancing effective date and seven business days prior to the respective June and December rebalancing effective date.

## **S&P/BMV IPC Equal Weight Index**

**Index Universe.** The Index Universe consists of all stocks in the S&P/BMV IPC Index (the “Underlying Index”).

**Index Construction.** The index is an equal weighted version of the underlying index. Index composition is the same as the underlying index. Constituent changes are incorporated in the index as and when they are made in the underlying index.

When a company is added to an index in the middle of the quarter, it takes the weight of the company that it replaced. The one exception is when a company is removed from an index at a price of zero. In such a case, the company's replacement is added to the index at the weight using the previous day's closing value, or the most immediate prior business day that the deleted company was not valued at zero.

**Constituent Weighting.** At each quarterly rebalancing, constituents are equal weighted.

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

**Rebalancing.** The index rebalances after the market close on the third Friday of the quarter-ending month with weights set to  $1/N$  for each company in the index where  $N$  equals the number of companies in the index at rebalancing using the closing prices as of the second Friday of the last month of quarter as the reference price. Since index shares are assigned based on prices prior to the rebalancing, the actual weight of each company at the rebalancing differs from the target equal weights due to market movements.

## S&P/BMV IPC ESG Tilted Indices

**Index Universe.** The Index Universe consists of all stocks in the S&P/BMV IPC Index, adjusted for any composition changes due to the current rebalancing.

**Exclusions Based on Business Activities.** As of each rebalancing reference date, companies with the following specific business activities, as determined by Sustainalytics, are excluded from the eligible universe:

Sustainalytics Product Involvement	Sustainalytics Category of Involvement and Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
Controversial Weapons	<b>Tailor Made and Essential:</b> The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	NA	>0%	≥25% <sup>12</sup>
	<b>Non-Tailor Made or Non-Essential:</b> The company provides components/services for the core weapon system which are either not considered tailor-made or not essential to the lethal use of the weapon		>0%	≥25%
Thermal Coal	<b>Extraction:</b> The company extracts thermal coal.	Revenue	≥5%	N/A
	<b>Generation:</b> The company generates electricity from thermal coal.		≥5%	N/A
Tobacco Products	<b>Production:</b> The company manufactures tobacco products.	Revenue	>0%	≥25%
	<b>Related Products/Services:</b> The company supplies tobacco-related products/services.		≥5%	N/A
	<b>Retail:</b> The company derives revenues from the distribution and/or retail sale of tobacco products.		≥5%	N/A
Oil Sands	<b>Extraction:</b> The company extracts oil sands.	Revenue	≥5%	N/A
Small Arms	<b>Civilian customers (assault weapons):</b> The company manufactures and sells assault weapons to civilian customers.	Revenue	>0%	≥25%
	<b>Civilian customers (non-assault weapons):</b> The company manufactures and sells small arms (non-assault weapons) to civilian customers.		>0%	≥25%
	<b>Military/law enforcement customers:</b> The company manufactures and sells small arms to military/law enforcement.		>0%	≥25%
	<b>Key components:</b> The company manufactures and sells key components of small arms.		>0%	≥25%
	<b>Retail/Distribution (assault weapons):</b> The company is involved in the retail and/or distribution of assault weapons.		≥5%	N/A
	<b>Retail/distribution (non-assault weapons):</b> The company is involved in the retail and/or distribution of small arms (non-assault weapons).		≥5%	N/A
Military Contracting	<b>Weapons:</b> The company manufactures military weapon systems and/or integral, tailor-made components or these weapons.	Revenue	≥10%	N/A
	<b>Weapon-related products and services:</b> The company provides tailor-made products and/or services that support military weapons.		≥10%	N/A

<sup>12</sup> Prior to January 2019 Sustainalytics did not collect data on the corporate ownership indicator, so index history before that date does not reflect the impact of the indicator. The indicator, along with the other categories of involvement indicators, is applied at each rebalancing from January 2019 onwards.

S&P DJI Level of Involvement refers to the company's direct exposure to such products, while Significant Ownership indicates where the company has indirect involvement via some specified level of ownership of a subsidiary company with involvement.

**Exclusions Based on Sustainalytics' Global Standards Screening.** Sustainalytics Global Standards Screening (GSS) provides an assessment of a company's impact on stakeholders and the extent to which a company causes, contributes, or is linked to violations of international norms and standards. The basis of the GSS assessments is the United Nations (UN) Global Compact Principles shown in the table below. Information regarding related standards is also provided in the screening, including the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions. Sustainalytics classifies companies into the following three statuses:

- **Non-Compliant:** classification given to companies that do not act in accordance with the UNGC principles and their associated standards, conventions and treaties.
- **Watchlist:** classification given to companies that are at risk of violating one or more principles, for which all dimensions for Non-Compliant status could not be established or confirmed.
- **Compliant:** classification given to companies that act in accordance with the UNGC principles and their associated standards, conventions, and treaties.

As of each rebalancing reference date, companies classified as Non-Compliant, according to Sustainalytics, are ineligible for index inclusion.

*For more information on Sustainalytics, please refer to <http://www.sustainalytics.com/>.*

Except for spin-offs from companies with coverage, companies without Sustainalytics coverage are ineligible for index inclusion until they receive such coverage. Spin-offs are assigned the exclusion designations of the respective parent company as of the ex-date and will retain these designations until assessed by Sustainalytics at the subsequent rebalancing.

**Controversies: Media and Stakeholder Analysis Overlay.** In addition to the above, S&P Global uses RepRisk, a leading data science company, for daily filtering, screening, and analysis of ESG risk incidents and controversial activities related to companies within the indices.<sup>13</sup>

In cases where risks are presented, S&P Global releases a Media and Stakeholder Analysis (MSA) which includes a range of issues such as economic crime and corruption, fraud, illegal commercial practices, human rights issues, labor disputes, workplace safety, catastrophic accidents, and environmental disasters.

The Index Committee will review constituents that have been flagged by S&P Global's MSA to evaluate the potential impact of controversial company activities on the composition of the indices. In the event that the Index Committee decides to remove a company in question, that company would not be eligible for re-entry into the index for one full calendar year, beginning with the subsequent rebalancing.

*For more information on RepRisk, please refer to [www.reprisk.com](http://www.reprisk.com). This service is not considered a direct contribution to the index construction process.*

**Index Construction.** At each rebalancing, all eligible constituents of the underlying index are selected and form the index.

**Constituent Weighting.** In addition to the weighting process defined below, constituent's weights are subject to a single stock weight cap of 25% and the aggregate weight of the five largest stocks cannot

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<sup>13</sup> RepRisk, an ESG data science company, leverages the combination of AI and machine learning with human intelligence to systematically analyze public information in 23 languages and identify material ESG risks. With daily data updates across 100+ ESG risk factors, RepRisk provides consistent, timely, and actionable data for risk management and ESG integration across a company's operations, business relationships, and investments.



exceed 60%. At each rebalancing, the weights of all tilting groups are neutral to their weights in the eligible universe. Tilting Groups are the GICS Industry Groups and/or Sectors in the underlying index depending on constituent count and composition. Constituents' weights in each tilting group are determined using an ESG Tilt Score ( $S_i$ ).

Each ESG Tilt Score ( $S_i$ ) is calculated as follows:

- a. The S&P DJI ESG Score for each company is transformed into an ESG z-score ( $Z_i$ ) at the underlying index level by:
  - i. Dividing by 100 and taking the inverse of the normal cumulative distribution function with a mean of zero and a standard deviation of one.
  - ii. The ESG z-score ( $Z_i$ ) for each security is re-standardized using the mean and standard deviation of the available S&P DJI ESG z-scores for the unique companies within the index universe before applying exclusions based on business activities, Sustainalytics' Global Standards Screening and MSA.
- b. If a company does not have an S&P DJI ESG Score, it will be assigned an ESG z-score ( $Z_i$ ) set as equal to the lowest available ESG z-score value from the companies within its Tilting Group. If no companies have scores within the Tilting Group, the company will be assigned an ESG z-score of zero.
- c. The ESG z-score ( $Z_i$ ) for each company is transformed into the ESG Tilt Score ( $S_i$ ) as follows:
 
$$\text{If } Z_i > 0, S_i = 1 + \lambda Z_i$$

$$\text{If } Z_i < 0, S_i = 1/(1 - \lambda Z_i)$$

$$\text{If } Z_i = 0, S_i = 1$$

Where  $\lambda$  = Tilt Scaling Factor (as defined in the table below)

### Tilt Scaling Factors

S&P ESG Tilted Index	Tilt Scaling Factor	Tilting Group
S&P/BMV IPC ESG Tilted (Light) Index	0.25	Industry Group or Sector
S&P/BMV IPC ESG Tilted (Moderate) Index	0.5	Industry Group or Sector
S&P/BMV IPC ESG Tilted Index	1.0	Industry Group or Sector
S&P/BMV IPC ESG Tilted (Heavy) Index	2.0	Industry Group or Sector

The indices are Industry Group / Sector Tilted, with the Tilting Groups determined on each rebalancing reference date as follows:

- Where a GICS Sector contains any GICS Industry Group with fewer than two S&P DJI ESG Scores available, the GICS Sector is the Tilting Group.
- For the remaining Sectors (if any) where all Industry Groups have at least two S&P DJI ESG scores, the Industry Groups each form individual Tilting Groups.

After the Tilting Group(s) are determined as above, the constituent weights are calculated as follows:

- A Tilting Group's weight in the index is calculated as the sum of constituents' weights in the Tilting Group divided by the sum of all index constituents' weights.

$$Weight_{Tilting\ Group} = \frac{\sum Index\ Weight, \text{ for all constituents in Tilting Group}}{\sum Index\ Weight, \text{ for all index constituents}}$$

- Within each Tilting Group, constituents' weights are multiplied by their company ESG Tilt Score ( $S_i$ ). The constituent weights within the Tilting Group are determined by dividing the constituent's tilted weight by the sum of all tilted weights within the Tilting Group.

$$Weight_{Constituent\ in\ Tilting\ Group} = \frac{Constituent\ Index\ Weight * S_i}{\sum Index\ Weight * S_i, \text{ for all constituents in Tilting Group}}$$

3. The final constituent weight in each index is the product of Step 1 and Step 2 above, with the constraints that no single stock's weight can exceed 25% and the aggregate weight of the five largest stocks cannot exceed 60%. The capping algorithm redistributes the excess weight to the uncapped stocks in the eligible universe in proportion to their ESG tilted weights (pre-capped weights from Step 3).

$$Weight_{Constituent} = Weight_{Tilting\ Group} * Weight_{Constituent\ in\ Tilting\ Group}$$

**Rebalancing.** Indices composition is reconstituted quarterly, effective after the market close on the third Friday of March, June, September, and December. The rebalancing reference date is the last business day of January, April, July, and October, respectively. June's rebalancing uses the updated S&P DJI ESG Scores, and the same scores are used in September, December and March rebalances. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.

## **S&P/BMV INMEX**

**Index Universe.** The Index Universe consists of all stocks in the S&P/BMV IPC Index adjusted for any composition changes due to the current rebalancing.

**Constituent Selection.** At each rebalancing, 20 eligible stocks are selected and form the index, according to the following process:

1. All stocks in the Index Universe are ranked, in descending order, based on a combined ranking of Volume Weighted Average Price (VWAP) float-adjusted market capitalization and six-month MDVT. The VWAP float-adjusted market capitalization is calculated by multiplying the number of shares outstanding by the assigned company's IWF and by the VWAP over the prior three-month period.
2. The highest ranked 18 companies are selected.
3. Current constituents ranked 19-22 are selected until the target constituent count of 20 is reached.
4. If at this point there are still less than 20 constituents, non-constituents are selected until the target constituent count is reached.

If two or more stocks share the same combined ranking, the most liquid stock, based on MDVT, is selected.

**Constituent Weightings.** The index is weighted based on float-adjusted market capitalization, subject to a single constituent weight cap of 10%.

**Rebalancing.** Index composition is reconstituted semi-annually, effective after the market close on the third Friday of March and September. The rebalancing reference date is the last business day of January and July, respectively. In addition, the index is reweighted outside of the semi-annual rebalancings, effective after the market close on the third Friday of June and December. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.

## S&P/BMV IPC 2X Leverage Daily and Inverse Daily Indices

**S&P/BMV IPC 2X Leverage Daily Index.** The index is designed to reflect 200% of the return (positive or negative) of the S&P/BMV IPC Index. The index value is calculated as follows:

$$Leverage\ IndexValue_t = Leverage\ IndexValue_{t-1} * \left[ 1 + \left[ 2 * \left( \frac{UnderlyingIndex_t}{UnderlyingIndex_{t-1}} - 1 \right) \right] \right]$$

where:

$UnderlyingIndex_t$  = S&P/BMV IPC Index value on day  $t$ .

**S&P/BMV IPC Inverse Daily Index.** The index is designed to reflect the inverse performance of the S&P/BMV IPC Index in order to assist those who are seeking a short position on Mexican equities. The index value is calculated as follows:

$$Inverse\ IndexValue_t = Inverse\ IndexValue_{t-1} * \left[ 1 - \left( \frac{UnderlyingIndex_t}{UnderlyingIndex_{t-1}} - 1 \right) \right]$$

where:

$UnderlyingIndex_t$  = S&P/BMV IPC Index value on day  $t$ .

## S&P/BMV IPC Quality, Value and Growth Index

**Index Universe.** The Index Universe consists of all stocks in the S&P/BMV IPC Index adjusted for any composition changes due to the current rebalancing.

- **Multiple Share Classes.** Each company is represented once in the S&P/BMV IPC Index by the company's primary listing, which is generally the company's most liquid share line.

**Constituent Selection.** The selection of index constituents is as follows:

1. Quality, Value and Growth z-scores are computed independently for each of the eligible stocks in the Index Universe. A security must have at least one fundamental z-score for each factor (Quality, Value and Growth) to be included in the index.
2. A stock is discarded if any of the factor scores is among the lowest four scores for that factor. Final multi-factor scores are calculated for a given selected security by the simple average of the underlying quality, value, and growth scores. See Constituent Weighting below for the multi-factor score formula.

*For more information on the calculation of the quality, value and growth scores related to the index, please refer to Appendices II, III and IV.*

**Constituent Weighting.** For a given rebalancing date, all the securities eligible for inclusion in the index are weighted by their final multi-factor score, which is the simple average of the underlying quality, value, and growth scores.

$$w_i = \frac{\text{Multi Factor score } i}{\sum_1^n \text{Multi Factor score } j}$$

$$\text{Multi - Factor Score}_i = (\text{Quality Score}_i + \text{Value Score}_i + \text{Growth Score}_i)/3$$

**Rebalancing.** The index is rebalanced semi-annually, effective after the close on the third Friday of June and December. The fundamental data reference dates are five weeks prior to each rebalance date.<sup>14</sup> As part of the rebalancing process, constituent stock weights are updated. Weights calculated as a result of the reference date data are implemented in the index using closing prices as of the Wednesday prior to the second Friday of June and December.

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<sup>14</sup> For history prior to launch, the index rebalancing reference date was the close of the last business day of the month prior to the rebalancing month.

## S&P/BMV Single Factor Indices

**Index Universe.** The index universe for the S&P/BMV single factor indices consist of all stocks that, on the rebalancing reference date, are members of the S&P/BMV IPC CompMx Index<sup>15</sup>. For a security to be eligible for consideration for the **S&P/BMV IPC CompMx Short-Term Momentum Index, S&P/BMV IPC CompMx Enhanced Value and S&P/BMV IPC CompMx Quality** the security must be a member of the index universe as of the rebalancing effective date. Constituents removed from an underlying headline universe index are also removed from the respective indices simultaneously.

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Multiple Share Classes.** Except for the S&P /BMV IPC CompMx Short-Momentum Index, 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. For the S&P /BMV IPC CompMx Short-Momentum Index, 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.
- **Liquidity Criteria.** Minimum MXN 4 million of six-month MDVT to be included in the index (MXN 2 million six-month MDVT for current constituents).

**Constituent Selection.** The selection of index constituents for the S&P/BMV IPC CompMx Quality, S&P/BMV IPC CompMx Short-Term Momentum, and S&P/BMV IPC CompMx Enhanced Value indices are as follows:

1. Factor adjusted scores are computed for each of the eligible stocks in the Index Universe. A security must have at least one fundamental z-score to be included in the index.
2. Select the top 30% securities of the eligible universe based on its respective factor score, subject to a minimum of 10 securities.

*For more information on the calculation of the respective scores related to each index, please refer to the Appendix sections. Appendix II - Adjusted Quality Score; Appendix V – Enhanced Value Score; Appendix VI – Short-Term Momentum Score.*

**Buffer Rules.** A 20% buffer is applied to stocks already in the index in order to reduce turnover and is implemented as follows:

1. Stocks are ranked based on factor score and those ranked within the top 24% of the stock count are automatically chosen for index inclusion.
2. All stocks which are current constituents that fall within the top 36% of the stock count are then chosen for index inclusion in order of their factor score.
3. If at this point 30% of stocks in the index universe have not been chosen, the remaining stocks are chosen based on their factor score.

**Constituent Weighting.** Each rebalancing date, all the securities eligible for inclusion in the index are weighted by their factor score, subject to security and liquidity constraints. This is done using a procedure such that the maximum weight of each security is the lower of 25% and four times its liquidity weight. Liquidity is based on the security's six-month MDVT.

Note that the capping algorithm redistributes the excess weight to the other stocks in proportion to their factor weights. Where the capping algorithm fails, the liquidity weight cap will be relaxed by 0.5 in each iteration, until a solution is found.

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<sup>15</sup> The back-tested history prior to July 2017 is based on the S&P Mexico BMI excluding FIBRAS and ADRs.

*For more information on the calculation of the respective scores related to each index, please refer to the Appendix sections. Appendix II: Adjusted Quality Score; Appendix V: Enhanced Value Score; Appendix VI: Short-Term Momentum Score.*

**Rebalancing.** The BMV Single-Factor Versions are rebalanced as follows:

- **S&P /BMV IPC CompMx Quality Index.** Index composition is reconstituted semi-annually, effective after the market close on the third Friday of June and December. The rebalancing reference date is the last business day of May and November, respectively.
- **S&P /BMV IPC CompMx Enhanced Value Index.** Index composition is reconstituted semi-annually, effective after the market close on the third Friday of June and December. The rebalancing reference date is the last business day of May and November, respectively.
- **S&P /BMV IPC CompMx Short-Term Momentum Index.** Index composition is reconstituted semi-annually, effective after the market close on the third Friday of March and September. The rebalancing reference date is the last business day of February and August, respectively.

## S&P/BMV Single Factor Indices – Weighted Versions

**Index Universe.** The index universe for the S&P/BMV single factor indices consist of all stocks that, on the rebalancing reference date, are members of the S&P/BMV IPC CompMx<sup>16</sup> adjusted for any composition changes due to the current rebalancing. For the S&P/BMV IPC Risk Weighted index, the underlying universe is the S&P/BMV IPC Index. For a security to be eligible for consideration for the **S&P/BMV IPC CompMx Short-Term Momentum Weighted Index, S&P/BMV IPC CompMx Quality Weighted and S&P/BMV IPC CompMx Enhanced Value Weighted** the security must be a member of the index universe as of the rebalancing effective date. Constituents removed from an underlying headline universe index are also removed from the respective indices simultaneously.

For a security to be eligible for consideration in the following indices, it must be a member of the relevant index universe as of the rebalancing effective date:

- **S&P/BMV IPC CompMx Short-Term Momentum Weighted Index**
- **S&P/BMV IPC CompMx Risk Weighted Index**
- **S&P/BMV IPC Risk Weighted Index**
- **S&P /BMV IPC CompMx Quality Weighted Index**
- **S&P /BMV IPC CompMx Enhanced Value Weighted Index**

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date are selected and form the Selection Universe:

- **Multiple Share Classes.** Except for the S&P/BMV IPC CompMx Short-Momentum Weighted Index, 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. For the S&P/BMV IPC CompMx Short-Term Momentum Weighted Index, 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.
- **Liquidity Criteria.** Minimum MXN 4 million of six-month MDVT to be included in the index. (MXN 2 million six-month MDVT for current constituents).
  - The S&P/BMV IPC Risk Weighted index, which considers all members of the S&P/BMV IPC index, does not require a liquidity criterion.
- **Traded History.** In addition to meeting the liquidity criterion mentioned above, some indices also require a minimum traded history. However, there is no minimum number of days that each stock must have actually traded.
  - Members of the S&P/BMV IPC CompMx Risk Weighted index must have been issued and trading for at least one calendar year, as of the reference date, before becoming eligible for index inclusion.
  - Members of the S&P/BMV IPC Risk Weighted index need to have a minimum traded history of at least one calendar year, as of the reference date, before becoming eligible for index inclusion.

**Constituent Selection.** The selection of index constituents for the S&P/BMV IPC CompMx Quality Weighted, S&P/BMV IPC CompMx Short-Term Momentum Weighted, and S&P/BMV IPC CompMx Enhanced Value Weighted indices is as follows:

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<sup>16</sup> The back-tested history prior to July 2017 is based on the S&P Mexico BMI excluding FIBRAS and ADRs.



1. Factor adjusted scores are computed for each of the stocks in the eligible Index Universe. For Quality, Momentum, and Enhanced Value indices, a security must have at least one fundamental z-score for each factor to be included in the index.
2. All the securities of the eligible universe are selected.

**Constituent Selection of “Risk Weighted” indices.** All the eligible stocks in the respective Index Universe are selected to form the index.

*For more information on the calculation of the respective scores related to each index, please refer to the Appendix sections. Appendix II: Adjusted Quality Score; Appendix V: Enhanced Value Score; Appendix VI: Short-Term Momentum Score, and Appendix VII – Volatility.*

**Constituent Weighting.** Constituents of the S&P/BMV IPC CompMx Quality Weighted Index, S&P/BMV IPC CompMx Enhanced Value Weighted Index, and S&P/BMV IPC CompMx Short-Term Momentum Weighted Index are weighted as follows: For a given rebalancing date, all the securities eligible for inclusion in the index are weighted by their factor score, subject to security and liquidity constraints. This is done using a procedure such that the maximum weight of each security is the lower of 25% and four times its liquidity weight. Liquidity is based on the security’s six-month median daily value traded (six-month MDVT).

Note that the capping algorithm redistributes the excess weight to the other stocks in proportion to their factor weights. Where the capping algorithm fails, the liquidity weight cap will be relaxed by 0.5 in each iteration, until a solution is found.

For the S&P/BMV IPC CompMx Risk Weighted Index and S&P /BMV IPC Risk Weighted Index, the weight for each index constituent is set inversely proportional to its volatility. Volatility (Appendix VI) is defined as the standard deviation of the security’s daily prices returns over the prior 12 months, subject to security and liquidity constraints. This is done using a procedure such that the maximum weight of each security is the lower of 25% and four times its liquidity weight. Liquidity is based on the security’s six-month median daily value traded (six-month MDVT).

Note that the capping algorithm redistributes the excess weight to the other stocks in proportion to their factor weights. Where the capping algorithm fails, the liquidity weight cap will be relaxed by 0.5 in each iteration, until a solution is found.

*For more information on the calculation of the respective scores related to each index, please refer to the Appendix sections. Appendix II: Adjusted Quality Score; Appendix V: Enhanced Value Score; Appendix VI: Short-Term Momentum Score; and Appendix VII: Volatility.*

**Rebalancing.** The BMV Single-Factor Indices are rebalanced as follows:

- **S&P /BMV IPC CompMx Quality Weighted Index.** Index composition is reconstituted semi-annually, effective after the market close on the third Friday of June and December. The rebalancing reference date is the last business day of May and November, respectively.
- **S&P /BMV IPC CompMx Enhanced Value Weighted Index.** Index composition is reconstituted semi-annually, effective after the market close on the third Friday of June and December. The rebalancing reference date is the last business day of May and November, respectively.
- **S&P /BMV IPC CompMx Short-Term Momentum Weighted Index.** Index composition is reconstituted semi-annually, effective after the market close on the third Friday of March and September. The rebalancing reference date is the last business day of February and August, respectively.
- **S&P /BMV IPC CompMx Risk Weighted Index.** Index composition is reconstituted quarterly, effective after the market close on the third Friday of March, June, September, and December. The rebalancing reference date is the last business day of February, May, August, and November, respectively.

- **S&P /BMV IPC Risk Weighted Index.** Index composition is reconstituted quarterly, effective after the market close on the third Friday of March, June, September, and December. The rebalancing reference date is the last business day of February, May, August, and November, respectively.

## S&P/BMV Ingenius Index

**Index Universe.** The Index Universe consists of all constituents of the S&P Global BMI, adjusted for any composition changes due to that index's current rebalancing, that trade on the NYSE and Nasdaq as local listings or ADRs/ADS level II or level III, and are also listed in the BMV's SIC (International Quotation System).

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

**Selection Universe.** All stocks in the Index Universe that satisfy the following criteria as of the rebalancing reference date, unless otherwise noted, form the Selection Universe:

- **Growth Score.** Must have a growth score greater than or equal to 0.6, as of the rebalancing effective date.<sup>17</sup>
- **Float-Adjusted Market Capitalization (FMC).** Must have an FMC greater than or equal to USD \$50 billion.
- **GICS Sub-Industry.** Must be classified as part of the following GICS Sub-Industries. GICS classification changes are implemented at the subsequent reconstitution.

Sector	Sub-Industry	Code
Communication Services	Interactive Media & Services	50203010
Communication Services	Movies & Entertainment	50202010
Consumer Discretionary	Internet & Direct Marketing Retail	25502020
Information Technology	Systems Software	45103020
Information Technology	Technology Hardware Storage & Peripherals	45202030
Information Technology	Data Processing & Outsourced Services	45102020
Information Technology	Semiconductors	45301020

- **Multiple Share Classes.** 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 Methodology.

**Constituent Selection.** Eligible stocks are ranked in descending order based on the product of their Growth Scores multiplied by their FMCs prior to the rebalancing reference date. The top 12 stocks are selected for index inclusion, subject to a minimum of six. If six stocks are not selected, the next stock with the greatest product of their Growth Score multiplied by their FMC will be included until the six count is completed.

**Constituent Weightings.** At each rebalancing, constituents are weighted by 12-month momentum score, subject to a single stock weight cap of 20%.

For information on momentum score calculation, please refer to Appendix VI.

**Reconstitution.** Index composition is reconstituted annually, effective after the market close on the third Friday of September. The reconstitution reference date is the last business day of July. In addition, the index is rebalanced quarterly, effective after the market close on the third Friday of March, June, and December. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.

<sup>17</sup> For information on Growth Score calculation, please refer to the S&P Global BMI, S&P/IFCI Methodology, available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

# Index Maintenance

## Index Calculations

The indices are calculated by means of the divisor methodology used in all S&P Dow Jones Indices' equity indices.

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

## Corporate Actions

The table below details the most common corporate actions and index treatment for the following indices:

- S&P/BMV Bursa Optimo Index
- S&P/BMV Dividend Index
- S&P/BMV FIBRAS Index
- S&P/BMV IPC LargeCap, MidCap, and SmallCap Indices
- S&P/BMV IPC Quality, Value and Growth Index
- S&P/BMV Total Mexico ESG
- S&P/BMV Single Factor Indices
- S&P/BMV Single Factor Indices – Weighted Versions
- S&P/BMV Market Makers Index
- S&P/BMV IPC Equal Weight Index
- S&P/BMV Ingenius Index
- S&P/BMV IPC CompMx Trailing Income Equities Index

Corporate Action	Adjustment Made to Index	Divisor Adjustment?
Rights Offering	The price is adjusted to the Price of the Parent Company minus (the Price of the Rights Offering/Rights Ratio). Index shares changes 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	Except for spin-offs, 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

**Spin-Offs.** Except for the indices detailed below, a spin-off is added to all indices of which the parent is a constituent at a zero price at the market close of the day before the ex-date. There is no divisor change. All key attributes of the spin-off are the same as the parent at the time of addition. The spin-off remains in the index and is evaluated for continued inclusion at the subsequent reconstitution.

For the following indices, the spin-off is added to the index at a zero price and is dropped from the index after the first day of regular way trading, provided the drop event has been announced at least two days prior to the drop date:

- S&P/BMV Bursa Optimo Index
- S&P/BMV Dividend Index
- S&P/BMV IPC CompMx Trailing Income Equities Index
- S&P/BMV IPC CompMx Trailing Income Equities ESG Tilted Index
- S&P/BMV Ingenius Index
- S&P/BMV IPC Quality, Value, and Growth Index
- S&P/BMV Single Factor Indices
- S&P/BMV Single Factor Indices – Weighted Versions
- S&P/BMV Total Mexico ESG
- S&P/BMV Market Makers
- S&P/BMV China SX20 Index
- S&P/BMV IPC ESG Tilted Indices

For all other equity indices, corporate actions (such as stock splits, stock dividends, and rights offerings) are applied after the close of trading on the day prior to the ex-date. Share changes resulting from exchange offers are applied on the ex-date.

*For more information, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

## **Additions**

Except for spin-offs, there are no additions between rebalancings.

**S&P/BMV IPC Index.** If the constituent count falls below 30, the Index Committee will review the index to determine if replacement stocks are required in order to maintain the index objective. Advance notice will be provided prior to the addition of a replacement stock outside of the regularly scheduled index reconstitutions.

**S&P/BMV China SX20 Index.** Between semi-annual rebalancings, index additions occur only in response to an index deletion. When an index deletion occurs, an addition is made according to the following process:

The eligible non-constituent with the lowest joint Marketability Factor and VWAP FMC ranking over the prior six-month period is selected and added to the index. The effective date of the addition is the same date as the deletion effective date. The Marketability Factor reference date for additions is the same reference date used for the latest semi-annual rebalancing. The VWAP FMC reference date is seven business days prior to the addition effective date.

In cases where two or more non-constituents share the same joint ranking, the stock with the highest VWAP FMC is selected.

Except for spin-offs (which are added at a zero price), an addition made using the constituent replacement rule is added to the index with the same AWF as the largest AWF currently represented in the index. If using the largest AWF in the index would result in the addition's weight being higher than the maximum stock weight as of the date the addition is announced, the addition is added to the index with index shares commensurate with the index shares of the stock capped at the maximum weight using the

closing prices on the date the addition is announced. In such cases, index shares for current constituents remain constant.

**S&P/BMV Dividend Index.** As part of on-going index maintenance, companies that are removed from the index as a consequence of the quarterly dividend review or a corporate event, such as a delisting, bankruptcy, merger, or takeover, are replaced during the quarterly rebalancings of June, September, and December.

In the case that the index has less than 20 stocks during these quarterly reviews, the highest ranked non-constituent stock as of the reference date is selected. The reference date for the Turnover, Marketability and Dividend Yield Factors is the last business day of the month prior to the rebalancing month.

**S&P/BMV IPC CompMx Trailing Income Equities Index.** As part of on-going index maintenance, companies that are removed from the index as a consequence of a corporate event, such as a delisting, bankruptcy, merger, or takeover, are replaced during the quarterly reviews of September, December, and March.

In the case that the index has less than 25 stocks during these quarterly reviews, the highest ranked non-constituent stock as of the reference date is selected. The reference date for the Turnover, Marketability and Dividend Yield Factors is the reference date of the prior annual rebalancing.

## **Deletions**

Between rebalancings, deletions can occur due to acquisitions, mergers, takeovers, bankruptcies or delistings.

**S&P/BMV Dividend Index Quarterly Dividend Review.** In addition to the annual rebalancing, constituent stocks are reviewed on a quarterly basis. At the discretion of S&P Dow Jones Indices, if a constituent stock publicly announces the elimination of its latest scheduled dividend payment or cancels its subsequent scheduled dividend, the stock may be removed effective after the close of the third Friday of March, June, September and December. Any changes are announced after the close of the second Friday of the rebalancing month. The decision to remove an index constituent is based on information publicly announced by the company as of the Wednesday prior to the second Friday of the rebalancing month.

**S&P/BMV IPC CompMx Trailing Income Equities ESG Tilted Index.** Constituents removed from the S&P/BMV IPC CompMx Trailing Income Equities Index are removed from the index simultaneously. In addition, at the discretion of the Index Committee, a deletion may occur if an MSA is raised by S&P Global.

**S&P/BMV IPC Quality, Value and Growth Index.** Constituents removed from the S&P/BMV IPC Index are removed from the index simultaneously.

**S&P/BMV Single Factor Indices and S&P/BMV Single Factor Indices – Weighted Versions.** Constituents removed from the S&P/BMV IPC Index and S&P/BMV IPC CompMx are removed from the indices simultaneously.

**S&P/BMV Total Mexico ESG Index.** Constituents removed from the S&P/BMV Total Mexico Index are removed from the index simultaneously. In addition, at the discretion of the Index Committee, a deletion may occur if an MSA is raised by S&P Global.

**S&P/BMV IPC ESG Tilted Indices.** Constituents removed from the S&P/BMV IPC Index are removed from the indices simultaneously. In addition, at the discretion of the Index Committee, a deletion may occur if an MSA is raised by S&P Global.

## Stock Suspensions

For suspended stocks, the last available official closing price prior to the suspension is used for index calculation during the suspension period. Suspended stocks that exceed a threshold of 20 business days are reviewed for possible index deletion. Any deletion is made using a stock price of zero and with five days' advanced notice.

## Investable Weight Factor (IWF)

All issues in the S&P/BMV 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 a detailed description of float adjustment and IWFs.*

**Shares.** For more information on shares outstanding changes, please refer to *S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology*.

## Rebalancing Share and IWF Data

For index selection purposes, all S&P/BMV Indices use shares outstanding and IWF figures as of the rebalancing effective date.

## Liquidity Data

The daily traded value of each stock used in the liquidity screenings for all S&P/BMV indices is sourced from the BMV.

## 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.

## Currency of Calculation and Additional Index Return Series

The indices are calculated in Mexican pesos. In addition, the S&P/BMV IPC and S&P/BMV IRT indices are also available in U.S. dollars.

The Valmer U.S. dollar/Mexican peso spot rate, captured at 2:00 PM Mexico City time, is used for end-of-day index calculation of the S&P/BMV China SX20 Index, the S&P/BMV Ingenius Index, and for the U.S. dollar versions of the S&P/BMV IPC and S&P/BMV IRT indices.<sup>18</sup>

Intra-day real-time calculations use the mid spot rate provided by Refinitiv (MXN=).

In addition to the indices detailed in this methodology, additional return series versions of the indices may be available, including, but not limited to: currency, currency hedged, decrement, fair value, inverse, leveraged, and risk control versions. For a list of available indices, please refer to the [S&P DJI Methodology & Regulatory Status Database](#).

*For information on various index calculations, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.*

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<sup>18</sup> For the U.S. dollar version of the S&P/BMV IPC and S&P/BMV IRT indices, index history prior to 06/02/2017 used the mid spot rate provided by Refinitiv.

For the inputs necessary to calculate certain types of indices, including decrement, dynamic hedged, fair value, and risk control indices, please refer to the Parameters documents available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

## 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/BMV Bursa Optimo Index	09/20/2013	03/30/2007	03/30/2007	100
S&P/BMV China SX20 Index	01/17/2010	12/31/2008	12/31/2008	100
S&P/BMV Dividend Index	10/30/2009	01/31/2007	01/31/2007	100
S&P/BMV FIBRAS Index	10/11/2011	10/11/2011	10/11/2011	100
S&P/BMV FIBRAS Index NTR	08/14/2020	02/06/2017	02/06/2017	100
S&P/BMV FIBRAS Composite Index	02/22/2021	12/24/2018	12/24/2018	100
S&P/BMV Consumer Discretionary Sector Index	12/31/1997	12/31/1997	12/31/1997	100
S&P/BMV Consumer Staples Sector Index	12/31/1997	12/31/1997	12/31/1997	100
S&P/BMV Financials Sector Index	12/31/1997	12/31/1997	12/31/1997	100
S&P/BMV Health Care Sector Index	12/31/1997	12/31/1997	12/31/1997	100
S&P/BMV Industrials Sector Index	12/31/1997	12/31/1997	12/31/1997	100
S&P/BMV Materials Sector Index	12/31/1997	12/31/1997	12/31/1997	100
S&P/BMV Telecommunication Services Sector Index	12/31/1997	12/31/1997	12/31/1997	100
S&P/BMV Commercial Services Index	01/31/2007	01/31/2007	01/31/2007	100
S&P/BMV Construction Index	03/05/2010	01/31/2007	01/31/2007	100
S&P/BMV Financial Services Index	01/31/2007	01/31/2007	01/31/2007	100
S&P/BMV Infrastructure & Transportation Index	03/05/2010	01/31/2007	01/31/2007	100
S&P/BMV Manufacturing, Electricity, & Water Index	01/31/2007	01/31/2007	01/31/2007	100
S&P/BMV Mining & Agriculture Index	01/31/2007	01/31/2007	01/31/2007	100
S&P/BMV Retail & Distributors Index	01/31/2007	01/31/2007	01/31/2007	100
S&P/BMV Consumer Staples Select Sector Index	10/30/2009	01/31/2007	12/31/2002	100
S&P/BMV Financials Select Sector Index	10/31/2006	12/31/2002	12/31/2002	100
S&P/BMV Industrials Select Sector Index	10/31/2006	12/31/2002	12/31/2002	100
S&P/BMV Materials Select Sector Index	10/31/2006	12/31/2002	12/31/2002	100
S&P/BMV IPC CompMx Index	10/16/2006	12/31/2004	12/31/2004	100
S&P/BMV IPC LargeCap Index	10/16/2006	12/31/2004	12/31/2004	100
S&P/BMV IPC MidCap Index	10/16/2006	12/31/2004	12/31/2004	100
S&P/BMV IPC SmallCap Index	10/16/2006	12/31/2004	12/31/2004	100
S&P/BMV IPC CompMx Ex-Financials Index	03/09/2020	09/15/2017	09/15/2017	100
S&P/BMV IPC Index <sup>19</sup>	10/30/1978	10/30/1978	10/30/1978	0.78
S&P/BMV IPC Equal Weight Index	01/28/2019	12/16/2005	12/16/2005	1000
S&P/BMV INMEX	12/30/1991	12/30/1991	12/30/1991	100
S&P/BMV IPC 2X Leverage Daily Index	07/30/2010	01/31/2007	01/31/2007	2756.149
S&P/BMV IPC Inverse Daily Index	07/30/2010	01/31/2007	01/31/2007	2756.149
S&P/BMV Quality Value and Growth Index	08/02/2017	06/17/2005	06/17/2005	100
S&P/BMV Market Makers Index	02/26/2018	12/31/2012	12/31/2012	100
S&P/BMV IPC Daily Risk Control 10% Index TR	08/23/2018	03/28/1996	12/29/2017	1241.664
S&P/BMV IPC Daily Risk Control 5% Index TR	08/23/2018	03/28/1996	12/29/2017	1130.181
S&P/BMV IRT Daily Risk Control 10% Index TR	08/23/2018	11/21/2002	12/29/2017	522.243
S&P/BMV IRT Daily Risk Control 5% Index TR	08/23/2018	11/21/2002	12/29/2017	369.178
S&P/BMV IPC CompMx Risk Weighted Index	03/27/2019	12/16/2005	12/16/2005	100
S&P/BMV IPC CompMx Enhanced Value Index	03/27/2019	12/16/2005	12/16/2005	100
S&P/BMV IPC CompMx Enhanced Value Weighted Index	03/27/2019	12/16/2005	12/16/2005	100
S&P/BMV IPC CompMx Short-Term Momentum Weighted Index	03/27/2019	03/17/2006	03/17/2006	100
S&P/BMV IPC CompMx Short-Term Momentum Index	03/27/2019	03/17/2006	03/17/2006	100
S&P/BMV IPC CompMx Quality Weighted Index	03/27/2019	12/16/2005	12/16/2005	100

<sup>19</sup> Index history from 08/31/1982 to 09/20/1982 is not available.



Index	Launch Date	First Value Date	Base Date	Base Value
S&P/BMV IPC CompMx Quality Index	03/27/2019	12/16/2005	12/16/2005	100
S&P/BMV IPC Risk Weighted Index	03/27/2019	12/16/2005	12/16/2005	100
S&P/BMV Ingenius Index	11/25/2019	09/22/2014	09/22/2014	100
S&P/BMV Total Mexico Index	06/22/2020	09/03/2012	09/03/2012	100
S&P/BMV Total Mexico ESG Index	06/22/2020	04/30/2014	04/30/2014	1000
S&P/BMV IPC CompMx Trailing Income Equities Index	08/02/2021	06/19/2015	06/19/2015	1000
S&P/BMV IPC CompMx Trailing Income Equities ESG Tilted Index	08/02/2021	06/19/2015	06/19/2015	1000
S&P/BMV IPC ESG Tilted (Light) Index	11/22/2021	03/21/2014	03/21/2014	1000
S&P/BMV IPC ESG Tilted (Moderate) Index	11/22/2021	03/21/2014	03/21/2014	1000
S&P/BMV IPC ESG Tilted Index	11/22/2021	03/21/2014	03/21/2014	1000
S&P/BMV IPC ESG Tilted (Heavy) Index	11/22/2021	03/21/2014	03/21/2014	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.*

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

# Index Governance

## Index Committee

Except for the S&P/BMV IPC CompMx Trailing Income Equities ESG Tilted, the S&P BMV Total Mexico ESG and the S&P/BMV IPC ESG Tilted Indices, the indices are maintained by the S&P/BMV Index Committee. The S&P/BMV IPC CompMx Trailing Income Equities ESG Tilted, the S&P BMV Total Mexico ESG, and the S&P/BMV IPC ESG Tilted Indices are managed by the S&P Dow Jones Indices' ESG Indices Index Committee. All committee members are full-time employees of S&P Dow Jones Indices and the Bolsa Mexicana de Valores. The Index Committee meets regularly. 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 the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the 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 Methodology.*

# 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 Methodology.*

## 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 reference prices prior to the rebalancing, the actual weight of each stock at the rebalancing differs from those weights due to market movements.

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

## Holiday Schedule

The indices are calculated all business days of the year, provided the BMV is open.

*A complete holiday schedule for the year is available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).*

## 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.

## Index Closing Times

The indices follow the standard BMV Exchange closing time.

## Unexpected Exchange Closures

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

## Recalculation Policy

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

## **Real-Time Calculation**

Real-time, intra-day, index calculations are executed for certain indices, whenever the BMV is 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 Methodology.*

## **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.spglobal.com/spdji](http://www.spglobal.com/spdji), major quote (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 versions of the below indices that may exist are also covered by this document. Please refer to the [S&P DJI Methodology & Regulatory Status Database](#) for a complete list of indices covered by this document.

Index	Return Type	Bloomberg	RIC
S&P/BMV Bursa Optimo Index	Price Return Total Return	-- --	-- --
S&P/BMV China SX20 Index	Price Return Total Return	CHINASX2 CT20RT	-- --
S&P/BMV Dividend Index	Price Return Total Return	-- --	-- --
S&P/BMV FIBRAS Index	Price Return Total Return Net Total Return	FBMEX FRMEX FNMEX	-- -- --
S&P/BMV FIBRAS Composite Index	Price Return Total Return	FG0000 FF0000	-- --
S&P/BMV Consumer Discretionary Sector Index	Price Return Total Return	-- --	-- --
S&P/BMV Consumer Staples Sector Index	Price Return Total Return	-- --	-- --
S&P/BMV Financials Sector Index	Price Return Total Return	-- --	-- --
S&P/BMV Health Care Sector Index	Price Return Total Return	-- --	-- --
S&P/BMV Industrials Sector Index	Price Return Total Return	-- --	-- --
S&P/BMV Materials Sector Index	Price Return Total Return	-- --	-- --
S&P/BMV Telecommunication Services Sector Index	Price Return Total Return	-- --	-- --
S&P/BMV Commercial Services Index	Price Return Total Return	-- --	-- --
S&P/BMV Construction Index	Price Return Total Return	-- MEXAT3	-- --
S&P/BMV Financial Services Index	Price Return Total Return	-- MEXAT6	-- --
S&P/BMV Infrastructure & Transportation Index	Price Return Total Return	-- --	-- --
S&P/BMV Manufacturing, Electricity, & Water Index	Price Return Total Return	-- MEXAT2	-- --
S&P/BMV Mining & Agriculture Index	Price Return Total Return	-- MEXAT1	-- --
S&P/BMV Retail & Distributors Index	Price Return Total Return	-- MEXAT4	-- --
S&P/BMV Consumer Staples Select Sector Index	Price Return Total Return	-- MEXST3	-- --
S&P/BMV Financials Select Sector Index	Price Return Total Return	-- --	-- --
S&P/BMV Industrials Select Sector Index	Price Return Total Return	-- MEXST2	-- --
S&P/BMV Materials Select Sector Index	Price Return Total Return	-- MEXST1	-- --

Index	Return Type	Bloomberg	RIC
S&P/BMV IPC CompMx Index	Price Return Total Return	IPCCOMP IRTCOMP	.MXXCP --
S&P/BMV IPC LargeCap Index	Price Return Total Return	IPCLARGE IRTLARGE	.MXXLG --
S&P/BMV IPC MidCap Index	Price Return Total Return	IPCMID IRTMID	.MXXMI --
S&P/BMV IPC SmallCap Index Index	Price Return Total Return	IPCSMALL IRTSMALL	.MXXSM --
S&P/BMV IPC CompMx Ex-Financials Index (MXN)	Price Return Total Return	EM0000 TE0000	-- --
S&P/BMV IPC CompMx Ex-Financials Index (USD)	Price Return Total Return	XU0000 XR0000	-- --
S&P/BMV IPC Index	Price Return Total Return	MEXBOL IRT	.MXX --
S&P/BMV IPC (USD) Index	Price Return Total Return	SPMIPCUP SPMIRTUT	-- --
S&P/BMV IPC Equal Weight Index (MXN)	Price Return Total Return	MQ0000 RQ0000	-- --
S&P/BMV INMEX	Price Return Total Return	INMEX --	.INMX --
S&P/BMV IPC 2X Leverage Daily Index	Price Return Total Return	-- --	-- --
S&P/BMV IPC Inverse Daily Index	Price Return Total Return	-- --	-- --
S&P/BMV IPC Quality Value and Growth Index	Price Return Total Return	SPMQVGMP SPMQVGMT	-- --
S&P/BMV Market Makers Index	Price Return Total Return	SPMCMMP SPMCMMT	-- --
S&P/BMV IPC CompMx Risk Weighted Index (MXN)	Price Return Total Return	CW0000 CR0000	-- --
S&P/BMV IPC CompMx Risk Weighted Index (USD)	Price Return Total Return	-- --	-- --
S&P/BMV IPC CompMx Enhanced Value Weighted Index (MXN)	Price Return Total Return	VM0000 TI0000	-- --
S&P/BMV IPC CompMx Enhanced Value Weighted Index (USD)	Price Return Total Return	-- --	-- --
S&P/BMV IPC CompMx Enhanced Value Index (MXN)	Price Return Total Return	ES0000 ET0000	-- --
S&P/BMV IPC CompMx Enhanced Value Index (USD)	Price Return Total Return	-- --	-- --
S&P/BMV IPC CompMx Short-Term Momentum Index (MXN)	Price Return Total Return	SC0000 ST0000	-- --
S&P/BMV IPC CompMx Short-Term Momentum Index (USD)	Price Return Total Return	-- --	-- --
S&P/BMV IPC CompMx Short-Term Momentum Weighted Index (MXN)	Price Return Total Return	MM0000 RI0000	-- --
S&P/BMV IPC CompMx Short-Term Momentum Weighted Index (USD)	Price Return Total Return	-- --	-- --
S&P/BMV IPC CompMx Quality Index (MXN)	Price Return Total Return	CS0000 TS0000	-- --
S&P/BMV IPC CompMx Quality Index (USD)	Price Return Total Return	QS0000 TQ0000	-- --
S&P/BMV IPC CompMx Quality Weighted Index (MXN)	Price Return Total Return	CN0000 RC0000	-- --
S&P/BMV IPC CompMx Quality Weighted Index (USD)	Price Return Total Return	QU0000 QT0000	-- --
S&P/BMV IPC Risk Weighted Index (MXN)	Price Return Total Return	PR0000 PT0000	-- --
S&P/BMV IPC Risk Weighted Index (USD)	Price Return Total Return	PU0000 TR0000	-- --
S&P/BMV Ingenius Index (MXN)	Price Return Total Return	IN0000 IR0000	-- --
S&P/BMV Total Mexico Index (MXN)	Price Return Total Return	TT0000 PL0000	-- --
S&P/BMV Total Mexico Index (USD)	Price Return Total Return	-- --	-- --

Index	Return Type	Bloomberg	RIC
S&P/BMV Total Mexico ESG Index (MXN)	Price Return	EE0000	.EE0000
	Total Return	EG0000	.EG0000
S&P/BMV Total Mexico ESG Index (USD)	Price Return	UG0000	.UG0000
	Total Return	UR0000	.UR0000
S&P/BMV IPC CompMx Trailing Income Equities Index (MXN)	Price Return	LM0000	--
	Total Return	HY0000	--
S&P/BMV IPC CompMx Trailing Income Equities Index (USD)	Price Return	TG0000	--
	Total Return	KL0000	--
S&P/BMV IPC CompMx Trailing Income Equities ESG Tilted Index (MXN)	Price Return	GM0000	--
	Total Return	TH0000	--
S&P/BMV IPC CompMx Trailing Income Equities ESG Tilted Index (USD)	Price Return	GU0000	--
	Total Return	NJ0000	--
S&P/BMV IPC ESG Tilted (Light) Index (MXN)	Price Return	MP0000	--
	Total Return	EP0000	--
S&P/BMV IPC ESG Tilted (Light) Index (USD)	Price Return	MV0000	--
	Total Return	EV0000	--
S&P/BMV IPC ESG Tilted (Moderate) Index (MXN)	Price Return	MW0000	--
	Total Return	EW0000	--
S&P/BMV IPC ESG Tilted (Moderate) Index (USD)	Price Return	MX0000	--
	Total Return	EX0000	--
S&P/BMV IPC ESG Tilted Index (MXN)	Price Return	ML0000	--
	Total Return	EL0000	--
S&P/BMV IPC ESG Tilted Index (USD)	Price Return	MN0000	--
	Total Return	EN0000	--
S&P/BMV IPC ESG Tilted (Heavy) Index (MXN)	Price Return	MY0000	--
	Total Return	EY0000	--
S&P/BMV IPC ESG Tilted (Heavy) Index (USD)	Price Return	MZ0000	--
	Total Return	EZ0000	--

## Index Data

Daily constituent and index level data are available via subscription.

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

## Web site

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



# Appendix I – Economic Activity Clusters

## S&P/BMV Economic Activity Indices – Economic Activity Clusters

### S&P/BMV Commercial Services Index

Code	Sub-Industry	Code	Sub-Industry
1111	Oil & Gas Drilling	4432	Computer & Electronics Retail
1112	Oil & Gas Equipment & Services	4433	Home Improvement Retail
3211	Commercial Printing	4434	Specialty Stores
3212	Diversified Commercial & Professional Services	4435	Automotive Retail, Gas stations & Accessories
3213	Human Resource & Employment Services	4436	Home furnishing Retail
3214	Environmental & Facilities Services	5111	Food Retail
3215	Office Services & Supplies	5112	Hypermarkets & Super Centers
3311	Air Freight & Logistics	6113	Medicine Distributors
3321	Airlines	6121	Health Care Distributors
3331	Marine	6122	Health Care Services
3341	Railroads	6123	Private Health Care Facilities
3342	Highway Transportation	6124	Managed Health Care
3351	Airport Services	6131	Health Care Technology
3353	Marine Ports & Services	6231	Life Sciences Tools & Services
4112	Tires & Rubber	8111	Internet Software & Services
4121	Automobile Manufacturers	8121	IT Consulting & Other Services
4122	Motorcycle Manufacturers	8122	Data Processing & Outsourced Services
4311	Casinos & Gaming	8232	Electronic Manufacturing Services
4312	Hotels, Resorts & Cruise Lines	8233	Technology Distributors
4313	Leisure Facilities	9111	Alternative Carriers
4314	Restaurants	9112	Integrated Telecommunication Services
4321	Education Services	9121	Wireless Telecommunication Services
4322	Specialized Consumer Services	10111	Electric Utilities
4411	Catalog Retail	10121	Gas Utilities
4412	Internet Retail	10131	Multi-Utilities
4421	Department Stores	10132	Water Utilities
4422	General Merchandise Stores	10133	Independent Power Producers & Energy Traders
4431	Apparel Retail	10134	Works for States and Municipalities

### S&P/BMV Construction Index

Code	Sub-Industry	Code	Sub-Industry
1124	Oil & Gas Storage & Transportation	3352	Highways & Rail tracks
2121	Construction Materials	3353	Marine Ports & Services
2151	Aluminum & Other Metals	3411	House Building
2152	Diversified Metals & Mining	3421	Real Estate Developments
2155	Steel	3431	Construction & Infrastructure
2161	Forest Products	3432	Infrastructure Concessionaires
2171	Production & Manufacture of Steel Products	3433	Engineering
2172	Processing & Distribution of Steel Products	10111	Electric Utilities
2173	Processing & Distribution of Aluminum & Other Metal Products	10121	Gas Utilities
3121	Building Products	10131	Multi-Utilities
3151	Construction & Farm Machinery & Heavy Trucks	10132	Water Utilities
3214	Environmental & Facilities Services		

### S&P/BMV Financial Services Index

Code	Sub-Industry	Code	Sub-Industry
7111	Financial Groups	7161	Consumer Credits
7121	Commercial Banks	7162	Commercial Credits
7122	Regional Banks	7163	Mortgage Credits
7123	Development Banks	7164	Small & Medium Company Credits
7131	Asset Management & Custody Banks	7165	Credit Card Services
7132	Financial Assets Negotiation Services	7171	Insurance Brokers
7133	Financial Services Holdings	7172	Life & Health Insurance
7141	Currency Exchange Services	7173	Multi-line Insurance
7142	Factoring Services	7174	Property & Casualty Insurance
7143	Financial Renting Services	7175	Reinsurance
7144	Credit Unions	7181	Diversified Financials
7151	Investment & Brokerage Services	7182	Holdings
7152	Capital Mutual Funds	7191	Personal Financial Services
7153	Multiple Objective Financial Societies		

### S&P/BMV Infrastructure & Transportation Index

Code	Sub-Industry	Code	Sub-Industry
3311	Air Freight & Logistics	3432	Infrastructure Concessionaires
3321	Airlines	3433	Engineering
3331	Marine	8111	Internet Software & Services
3341	Railroads	8121	IT Consulting & Other Services
3342	Highway Transportation	8211	Communications Equipment
3351	Airport Services	9111	Alternative Carriers
3352	Highways & Rail tracks	9112	Integrated Telecommunication Services
3353	Marine Ports & Services	9121	Wireless Telecommunication Services
3431	Construction & Infrastructure		

### S&P/BMV Manufacturing, Electricity, & Water Index

Code	Sub-Industry	Code	Sub-Industry
1111	Oil & Gas Drilling	3132	Heavy Electrical Equipment
1112	Oil & Gas Equipment & Services	3141	Industrial Conglomerates
1121	Integrated Oil & Gas	3151	Construction & Farm Machinery & Heavy Trucks
1122	Oil & Gas Exploration & Production	3152	Industrial Machinery
1123	Oil & Gas Refining & Marketing	3161	Commercialization & Distribution
1124	Oil & Gas Storage & Transportation	4111	Auto Parts & Equipment
1125	Coal & Consumable Fuels	4214	House wares & Specialties
2111	Diversified Chemicals	4231	Leisure Products
2112	Fertilizers & Agricultural Chemicals	4232	Photographic Products
2113	Industrial Gases	4243	Textiles
2114	Specialty Chemicals Distribution	5211	Diversified Beverages
2121	Construction Materials	5212	Brewers
2131	Metal Containers	5213	Distillers & Vintners
2132	Glass Containers	5214	Soft Drinks
2133	Plastic Containers	5221	Agricultural Products
2134	Packaging Material	5222	Meat, Poultry & Fish
2141	Glass & Plastic Materials	5223	Production & Commercialization of Food Products
2155	Steel	5231	Tobacco
2161	Forest Products	5241	Production & Commercialization of Diversified Food Products
2162	Paper Products	5311	Household Products
2171	Production & Manufacture of Steel Products	5321	Personal Products
2172	Processing & Distribution of Steel Products	10111	Electric Utilities
2173	Processing & Distribution of Aluminum & Other Metal Products	10121	Gas Utilities
3111	Aerospace & Defense	10131	Multi-Utilities
3131	Electrical Components & Equipment	10132	Water Utilities

**S&P/BMV Mining & Agriculture Index**

Code	Sub-Industry	Code	Sub-Industry
2112	Fertilizers & Agricultural Chemicals	2162	Paper Products
2151	Aluminum & Other Metals	2171	Production & Manufacture of Steel Products
2152	Diversified Metals & Mining	2172	Processing & Distribution of Steel Products
2153	Gold	2173	Processing & Distribution of Aluminum & Other Metal Products
2154	Precious Metals & Minerals	5221	Agricultural Products
2155	Steel	5231	Tobacco
2161	Forest Products		

**S&P/BMV Retail & Distributors Index**

Code	Sub-Industry	Code	Sub-Industry
3141	Industrial Conglomerates	4432	Computer & Electronics Retail
4211	Consumer Electronics	4433	Home Improvement Retail
4212	Home Furnishings	4434	Specialty Stores
4213	Electric home Appliances	4435	Automotive Retail, Gas stations & Accessories
4214	House wares & Specialties	4436	Home furnishing Retail
4221	Commercialization & Distribution of Electric home Appliances	5111	Food Retail
4231	Leisure Products	5112	Hypermarkets & Super Centers
4232	Photographic Products	5113	Food Distributors
4233	Commercialization & Distribution of Leisure Equipment & Products	5211	Diversified Beverages
4241	Apparel, Accessories & Luxury Goods	5223	Production & Commercialization of Food Products
4242	Footwear	5241	Production & Commercialization of Diversified Food Products
4243	Textiles	6113	Medicine Distributors
4411	Catalog Retail	6114	Medicine Retailers
4412	Internet Retail	6121	Health Care Distributors
4421	Department Stores	6221	Pharmaceuticals
4422	General Merchandise Stores	8111	Internet Software & Services
4431	Apparel Retail		

# Appendix II – Quality Score

## Fundamental Ratios Calculation

The first step to determine the overall quality score is to calculate, as of the rebalancing reference date, the three fundamental ratios below for each security in the index universe. They are defined as follows:

- **Operating ROA.** This is calculated as a company's trailing 12-month operating income divided by the latest reported total assets of the company:

- a. For all stocks:

$$\text{Operating ROA} = \frac{EBIT}{\text{Total Assets}}$$

where *EBIT* is defined as the 12-month trailing Operating Income as follows Net Sales or Revenue minus Cost of Goods Sold, Selling, General & Administrative Expenses and Other Operating Expenses.

- b. For those stocks for which EBIT is unavailable:

$$\text{Operating ROA} = \frac{\text{Net Interest Income}}{\text{Total Assets}}$$

Where 12-month trailing Net Interest Income Represents the difference between the total interest income and the total interest expense of the bank.

- **Accruals Ratio.** This is computed using the change of a company's net operating assets over the last year divided by its average total assets over the last two years:

$$\text{Accruals Ratio} = \frac{(NOA_t - NOA_{t-1})}{(\text{Total Assets}_t + \text{Total Assets}_{t-1})/2}$$

- **Financial Leverage Ratio.** This is calculated as a company's latest total debt divided by its book value.

$$\text{Leverage} = \frac{\text{Total Debt}}{(\text{BVPS} \times \text{Common Shares Outstanding})}$$

## Outlier Handling and Winsorization

- **Operating ROA and Accruals Ratio.** For a given fundamental variable, the values for all securities are first ranked in ascending order. Then, for securities that lie above the 95th percentile rank or below the 5th percentile rank, their value is set as equal to the value of the 95th percentile ranked, or the 5th percentile ranked security, whichever is applicable.
- **Financial Leverage Ratio.** The values for all securities are first ranked in ascending order. Then, for securities that lie above the 95th percentile rank or below the 5th percentile rank, their value is set as equal to the value of the 95th percentile ranked, or the 5th percentile ranked security, whichever is applicable. If the underlying data point for a given stock's BVPS is negative, leading to a negative Leverage, its Leverage value will be excluded, and the stock will be assigned a Leverage Z-score set as equal to the Leverage Z-score value of the 5th percentile ranked security.

## Z-score & Quality Score Computation

**Z-score Computation.** Computing a z-score is a widely adopted method of standardizing a variable in order to combine it with other variables that may have a different scale or unit of measurement. After winsorizing all the three fundamental ratios, the z-score for each of the three ratios for each security is calculated using the mean and standard deviation of the relevant variable within each of the index universes.

- **Operating ROA.** The z-score is calculated as follows:

$$Z_{\alpha} = (x_{\alpha} - \mu_{\alpha}) / \sigma_{\alpha}$$

- **Accruals and Financial Leverage Ratios.** The z-score is calculated as follows:

$$Z_{\alpha} = - (x_{\alpha} - \mu_{\alpha}) / \sigma_{\alpha}$$

where:

$Z_{\alpha}$  = z-score for a given security.

$x_{\alpha}$  = Winsorized variable for a given security.

$\mu_{\alpha}$  = Arithmetic mean of the winsorized variable in the index universe, excluding any missing values.

$\sigma_{\alpha}$  = Standard deviation of the winsorized variable in the index universe.

**Average Quality Z-score Computation.** For each security, the average z-score is computed by taking a simple average of the three scores. Where there is a missing value, the average z-score is computed by taking a simple average of the remaining two scores. A security must have at least one z-score for it to be included in the index.

For stocks classified in the Financials (GICS 40) or Real Estate (GICS 60) sectors, the Accrual Ratio calculation will not be applied to the quality score computation.

## Adjusted Quality Score

If  $Z > 0$ , Score =  $1 + Z$

If  $Z < 0$ , Score =  $(1 / (1 - Z))$

If  $Z = 0$ , Score = 1

# Appendix III – Value Score

## Fundamental Ratios Calculation

The first step to determine the overall value score is to calculate, as of the rebalancing reference date, the two fundamental ratios below for each security in the index universe. They are defined as follows:

- **Operating Income to Enterprise Value.** This calculation is measured by taking a company's 12-month trailing operating EBIT or 12-month trailing Net Interest income for banks divided by the company's latest Enterprise Value (EV). EV is a measure of a company's total value.

- a. For all stocks: Operating Income to EV is calculated as a company's trailing 12-month Operating EBIT divided by the company's latest EV:

$$\text{Operating Income to Enterprise Value} = \frac{EBIT}{EV}$$

$EV$  = market value of common stock + market value of preferred equity + market value of debt + minority interest – cash and investments

- b. For those stocks for which EBIT is unavailable: Operating Income to EV is calculated as a company's trailing 12-month Net Interest Income divided by company's latest EV:

$$\text{Operating Income to EV} = \frac{\text{Net Interest Income}}{EV}$$

- **Book Value to Price Ratio.** This is calculated as a company's latest book value per share divided by its price:

$$\text{Book Value – to – Price} = \frac{BVPS}{P}$$

## Outlier Handling and Winsorization

For a given fundamental variable, the values for all securities are first ranked in ascending order. Then, for securities that lie above the 95th percentile rank or below the 5th percentile rank, their value is set as equal to the value of the 95th percentile ranked, or the 5th percentile ranked security, whichever is applicable.

## Z-score & Value Score Computation

**Z-score Computation.** Computing a z-score is a widely adopted method of standardizing a variable in order to combine it with other variables that may have different scales or units of measurement. After winsorizing all three fundamental ratios, the z-score for each of the three ratios for each security is calculated using the mean and standard deviation of the relevant variable within the index universe. The z-score is calculated as follows:

$$z_{\alpha} = (x_{\alpha} - \mu_{\alpha}) / \sigma_{\alpha}$$

where:

$z_{\alpha}$  = Z-score for a given security.

$x_{\alpha}$  = Winsorized variable for a given security.

$\mu_{\alpha}$  = Arithmetic mean of the winsorized variable in the index universe, excluding any missing values.

$\sigma_{\alpha}$  = Standard deviation of the winsorized variable in the index universe.

**Average Z-score Computation.** For each security, the average z-score is computed by taking a simple average of the two scores. A security must have at least one z-score for it to compute the Value z-score.

**Adjusted Value Score**

If  $Z > .0$ ,  $\text{Score} = 1 + Z$

If  $Z < 0$ ,  $\text{Score} = (1 / (1 - Z))$

If  $Z = 0$ ,  $\text{Score} = 1$

# Appendix IV – Growth Score

## Growth Value Calculation

Growth value is calculated for each of the securities in the index universe on each of the rebalancing reference dates. The growth value is determined as follows:

1. **Price Momentum.** The momentum value is computed as the 12-month price change, excluding the most recent month of the security in local currency. If 12 months of price history is not available, momentum value is calculated from nine months of price history. The effective rebalancing month is stated as month ( $M$ ).

- a. Momentum Value =  $\left[ \frac{price_{M-2}}{price_{M-14}} \right] - 1$

- b. Or, Momentum Value =  $\left[ \frac{price_{M-2}}{price_{M-11}} \right] - 1$  if 12 months of price history is not available.

2. The Momentum value is further adjusted by the security's volatility to arrive at risk-adjusted Price momentum value.

$$\text{Risk-Adjusted Momentum Value} = \text{Momentum Value}_i / \sigma_i$$

where:

$\sigma$  = Standard deviation of daily price returns for the same date period used in Step 1 above.

- **3 Year Operating EBIT Growth.** (For Banks 3 Year Net interest income Growth).
  - a. For stocks not classified as part of the Banks industry group (GICS code: 4010), then 3 Year Operating Income Growth is defined as a company's trailing 12-month EBIT divided by the 12-month EBIT as 3 years (36 months before) minus one.

$$3Y \text{ Operating Income Growth} = \left[ \frac{EBIT_Y}{EBIT_{Y-3}} \right] - 1$$

- b. For stocks classified as part of the Banks industry group then 3-year operating Income growth is defined as a company's trailing 12-month Net Interest Income divided by the 12-month Net as 3 years before (36 months before)

$$\begin{aligned} 3Y \text{ Operating Income Growth} \\ = \left[ \frac{Net \text{ Interest Income}_Y}{Net \text{ Interest Income}_{Y-3}} \right] - 1 \end{aligned}$$

- **3 Year Sales Per Share Growth Rate.** Latest company's trailing 12-month Sales per Share divided by company's 12-month Sales per Share as of 3 years ago (36 months before), minus one:

$$3Y \text{ Sales per Share Growth} = \left[ \frac{Sales\_PS_Y}{Sales\_PS_{Y-3}} \right] - 1$$

## Outlier Handling and Winsorization

For a given fundamental variable, the values for all securities are first ranked in ascending order. Then, for securities that lie above the 95th percentile rank or below the 5th percentile rank, their value is set as equal to the value of the 95th percentile ranked, or the 5th percentile ranked security, whichever is applicable.



## Z-score & Growth Score Computation

**Z-score Computation.** Computing a z-score is a widely adopted method of standardizing a variable. The z-score for risk-adjusted momentum value for each security is calculated using the mean and standard deviation of the relevant variable within the index universe.

The z-score is calculated as follows:

$$z_{\alpha} = (x_{\alpha} - \mu_{\alpha}) / \sigma_{\alpha}$$

where:

$z_{\alpha}$  = Z-score for a given security.

$x_{\alpha}$  = Winsorized variable for a given security.

$\mu_{\alpha}$  = Arithmetic mean of the winsorized variable in the index universe, excluding any missing values.

$\sigma_{\alpha}$  = Standard deviation of the winsorized variable in the index universe.

**Average Growth z-score Computation.** For each security, the average z-score is computed by taking a simple average of the three scores. Where there is a missing value, the average z-score is computed by taking a simple average of the remaining two scores. A security must have at least one z-score for it to be included in the index.

## Adjusted Growth Score

If  $Z > 0$ , Score =  $1 + Z$

If  $Z < 0$ , Score =  $(1 / (1 - Z))$

If  $Z = 0$ , Score = 1

# Appendix V – Enhanced Value Score

## Fundamental Ratios Calculation

The first step to determine the overall value score is to calculate, as of the rebalancing reference date, the three fundamental ratios below for each security in the index universe. They are defined as follows:

- **Operating Income to Enterprise Value.** This calculation is measured by taking a company's 12-month trailing operating EBIT or 12-month trailing Net Interest income for banks divided by the company's latest Enterprise Value (EV). EV is a measure of a company's total value.

- a. For all stocks Operating Income to EV is calculated as a company's trailing 12-month Operating EBIT divided by the company's latest EV:

$$\text{Operating Income to Enterprise Value} = \frac{EBIT}{EV}$$

$$EV = \text{market value of common stock} + \text{market value of preferred equity} + \text{market value of debt} + \text{minority interest} - \text{cash and investments}$$

- b. For stocks for which EBIT is unavailable then Operating Income to EV is calculated as a company's trailing 12-month Net Interest Income divided by company's latest EV:

$$\text{Operating Income to EV} = \frac{\text{Net Interest Income}}{EV}$$

- **Book Value to Price Ratio.** This is calculated as a company's latest book value per share divided by its price:

$$\text{Book Value to Price} = \frac{BVPS}{P}$$

- **Sales-to-price Ratio.** This is calculated as a company's trailing 12-month sales per share divided by its price:

$$\text{Sales to Price} = \frac{SPS}{P}$$

## Outlier Handling and Winsorization

For a given fundamental variable, the values for all securities are first ranked in ascending order. Then, for securities that lie above the 95th percentile rank or below the 5th percentile rank, their value is set as equal to the value of the 95th percentile ranked, or the 5th percentile ranked security, whichever is applicable.

## Z-score & Value Score Computation

**Z-score Computation.** Computing a z-score is a widely adopted method of standardizing a variable in order to combine it with other variables that may have a different scale or unit of measurement. After winsorizing all the three fundamental ratios, the z-score for each of the three ratios for each security is calculated using the mean and standard deviation of the relevant variable within the index universe. The z-score is calculated as follows:

$$z_{\alpha} = (x_{\alpha} - \mu_{\alpha}) / \sigma_{\alpha}$$

where:

$$z_{\alpha} = \text{Z-score for a given security.}$$

$x_{\alpha}$  = Winsorized variable for a given security.

$\mu_{\alpha}$  = Arithmetic mean of the winsorized variable in the index universe, excluding any missing values.

$\sigma_{\alpha}$  = Standard deviation of the winsorized variable in the index universe.

**Average Z-score Computation.** For each security, the average z-score is computed by taking a simple average of the three scores. Where there is a missing value, the average z-score is computed by taking a simple average of the remaining two scores. A security must have at least one z-score for it to be included in the index.

**Outlier Handling and Winsorization.** Outlier average z-scores are winsorized to ensure that the average values used to calculate the overall value score are less distorted by extreme values. To do this, for a given average z-score, the values for all securities are first ranked in ascending order. Then, for securities that lie above 4 or below -4, their value is set as equal to 4 or -4, whichever is applicable.

**Value Score Computation.** Using the winsorized average z-scores for the three value factors, a value score is computed for each of the securities. For a given security, if its winsorized average z-score is above 0, then its value score will be the addition of 1 and the average z-score. On the other hand, if its winsorized average score is below 0, then its value score will be the result of the reciprocal of 1 subtracted by its average z-score.

If average  $Z > 0$ , Value Score =  $1 + Z$

If average  $Z < 0$ , Value Score =  $(1 / (1 - Z))$

If average  $Z = 0$ , Value Score = 1

# Appendix VI – Momentum and Short-Term Momentum Score

## Momentum Value Calculation

Momentum Value is calculated for each of the securities in the index universe on each of the rebalancing reference dates. The momentum value is determined as follows:

1. The momentum value is computed as the 12-month price change, excluding the most recent month of the security in local currency. If 12 months of price history is not available, momentum value is calculated from nine months of price history. The effective rebalancing month is stated as month (M).

- a. Momentum Value

$$\text{Momentum Value} = \left( \text{price}_{M-2} / \text{price}_{M-14} \right) - 1$$

- b. Or, Momentum Value if 12 months of price history is not available.

$$\text{Momentum Value} = \left( \text{price}_{M-2} / \text{price}_{M-11} \right) - 1$$

2. The momentum value is further adjusted by the security's volatility to arrive at risk-adjusted momentum value.

$$\text{Risk-Adjusted Momentum Value} = \text{Momentum Value} / \sigma_i$$

where:

$\sigma$  = Standard deviation of daily price returns for the same date period used in Step 1 above.

NOTE: If there is no price available on day M-2 or day M-14, the price from the day prior will be used. If there is no price available on any of the ten days prior, the momentum value will be calculated using formula (b) above.

## Short-Term Momentum Value

Short-term momentum value is calculated for each of the securities in the index universe on each of the rebalancing reference dates. The momentum value is determined as follows:

1. The momentum value is computed as the 6-month price change, excluding the most recent month of the security in local currency. If six months of price history is not available, momentum value is calculated from three months of price history. The effective rebalancing month is stated as month (M).

- a. Momentum Value

$$\text{Momentum Value} = \left( \text{price}_{M-2} / \text{price}_{M-8} \right) - 1$$

- b. Or, Momentum Value if six months of price history is not available.

$$\text{Momentum Value} = \left( \text{price}_{M-2} / \text{price}_{M-5} \right) - 1$$

2. The momentum value is further adjusted by the security's volatility to arrive at risk-adjusted momentum value.

$$\text{Risk-Adjusted Momentum Value} = \text{MomentumValue}_i / \sigma_i$$

where:  $\sigma$  = Standard deviation of daily price returns for the same date period used in Step 1 above.

NOTE: If there is no price available on day  $M-2$  or day  $M-8$ , the price from the day prior will be used. If there is no price available on any of the ten days prior, the momentum value will be calculated using formula (b) above. If the same condition exists for formula (b), the stock is excluded from the S&P /BMV IPC CompMx Short-Term Momentum and S&P /BMV IPC CompMx Short-Term Momentum Weighted indices.

## Z-score Computation

Computing a z-score is a widely adopted method of standardizing a variable in order to combine it with other variables that may have a different scale or unit of measurement. The z-score for each security is calculated using the mean and standard deviation of the relevant variable within the index universe.

The z-score is calculated as follows:  $z_\alpha = (x_\alpha - \mu_\alpha) / \sigma_\alpha$

where:

$z_\alpha$  = Z-score for a given security.

$x_\alpha$  = Observed value for a given security.

$\mu_\alpha$  = Arithmetic mean of the variable in the index universe, excluding any missing values.

$\sigma_\alpha$  = Standard deviation of the variable in the index universe.

Winsorization reduces the impact of outliers on a data set by limiting them to a designated value or score. For the S&P/BMV Momentum Indices, the winsorized z-score of a security is capped at  $\pm 3$ .

**Momentum Score Computation.** Using the winsorized z-scores, a momentum score is computed for each of the securities. For a given security, if its winsorized z-score is above 0, then its momentum score will be the addition of 1 and the z-score. On the other hand, if its winsorized z-score is below 0, then its momentum score will be the result of the inverse of 1 subtracted by its z-score.

## Momentum Score

If  $Z > 0$ , Momentum Score =  $1 + Z$

If  $Z < 0$ , Momentum Score =  $(1 / (1 - Z))$

If  $Z = 0$ , Momentum Score = 1

# Appendix VII – Volatility

## Volatility Calculation

Volatility is defined as the standard deviation of the security's daily price returns in local currency over the prior one year of trading days. It can be mathematically expressed as:

$$\sqrt{\frac{\sum_{i=1}^N (X_i - \bar{X})^2}{N - 1}}$$

where:

$$X_i = \text{Price Change} = \frac{P_t}{P_{t-1}} - 1$$

$P_t$  = Closing price of the stock on day  $t$

$P_{t-1}$  = Closing price of the stock on day  $t - 1$

$t = 1$  to  $N$

$\bar{X}$  = Average price change

$N$  = Number of trading days in a year based on local calendar

## Appendix VIII – MDVT Calculation for the S&P/BMV IPC Index

To calculate the daily value traded of each stock used in the liquidity screening<sup>20</sup> for the S&P/BMV IPC Index, the process is the following:

1. Calculate the sum of all volume for all index universe securities per trade date.
2. Calculate the sum of all cross trades per trade date.
3. Calculate the ratio of Step 2/Step 1 (Total Cross Trades per day / Total Volume per day) for every trade date over the last six months as of the rebalancing reference date.
4. For all trade dates, calculate the average and the standard deviation over the last six months as of the rebalancing reference date.
5. Multiply the standard deviation times 1.5.
6. Sum the average and the 1.5 standard deviation to define the evaluation threshold.
7. For each trade date, determine at the security level if the cross trades divided by the traded value of the security is greater than the evaluation threshold. If that is true, then daily traded value used is equal to traded value – (cross trades – traded value \* evaluation threshold). If not, then daily traded value used is equal to the unadjusted daily traded value.
8. The result of this is considered for the calculation of the Median Value Traded for six and three months.

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<sup>20</sup> Block trades are not considered when calculating sum of volume or sum of cross trades within liquidity calculations.

# Appendix IX – Methodology Changes

## Methodology Changes

Methodology changes since November 1, 2016, are as follows:

Index	Change	Effective Date (After Close)	Previous	Methodology Updated
S&P/BMV Investable Select Sector Indices	Constituent Weightings	10/14/2022	Weight capping is not applied if the constituent count falls below 10.	Equal weight capping is applied if the constituent count falls below 10.
S&P/BMV IPC Quality, Value and Growth Index, S&P/BMV IPC CompMx Quality Index, S&P/BMV IPC CompMX Quality Weighted Index	Fundamental Ratios Calculation:  Accrual Ratio	12/16/2022	This is computed using the change of a company's net operating assets over the last year divided by its average net operating assets over the last two years:  $\text{Accruals Ratio} = \frac{(NOA_t - NOA_{t-1})}{(NOA_t + NOA_{t-1})/2}$	This is computed using the change of a company's net operating assets over the last year divided by its average total assets over the last two years:  $\text{Accruals Ratio} = \frac{(NOA_t - NOA_{t-1})}{(Total\ Assets_t + Total\ Assets_{t-1})/2}$
S&P/BMV IPC Quality, Value and Growth Index, S&P/BMV IPC CompMx Quality Index, S&P/BMV IPC CompMX Quality Weighted Index	Average Quality Z-score Computation	12/16/2022	For each security, the average z-score is computed by taking a simple average of the three scores. Where there is a missing value, the average z-score is computed by taking a simple average of the remaining two scores. A security must have at least one z-score for it to be included in the index.	For each security, the average z-score is computed by taking a simple average of the three scores. Where there is a missing value, the average z-score is computed by taking a simple average of the remaining two scores. A security must have at least one z-score for it to be included in the index.  For stocks classified in the Financials (GICS 40) or Real Estate (GICS 60) sectors, the Accrual Ratio calculation will not be applied to the quality score computation.
S&P/BMV IPC ESG Tilted Indices, S&P/BMV Total Mexico ESG Index, S&P/BMV IPC CompMX Trailing Income Equities ESG Tilted Index	Exclusions Based on Business Activities:  New and Revised Exclusions	06/17/2022	<ul style="list-style-type: none"> <li>No exclusion was applied for involvement in any Oil Sands, Small Arms or Military Contracting activity.</li> <li>No exclusion was applied for involvement in Controversial Weapons: Non-Tailor Made or Non-Essential.</li> <li>Exclusions were applied for involvement in Tobacco Products: Related Products/Services and Tobacco Products: Retail with a Level of Involvement Threshold of <math>\geq 10\%</math> and a Significant Ownership Threshold of <math>\geq 25\%</math>.</li> </ul>	<ul style="list-style-type: none"> <li>Exclusions are applied for involvement in Oil Sands Extraction with a level of involvement threshold of <math>\geq 5\%</math>, Small Arms: Civilian Customers (Assault Weapons), Small Arms: Civilian Customers (Non-Assault Weapons), Small Arms: Military/Law Enforcement Customers and Small Arms: Key Components at a Level of Involvement Threshold of <math>&gt;0\%</math> and a Significant Ownership Threshold of <math>\geq 25\%</math>, Small Arms: Retail/Distribution (Assault Weapons) and Small Arms: Retail/Distribution (Non-Assault Weapons) at a Level of Involvement Threshold of <math>\geq 5\%</math>, and Military Contracting: Weapons and Military Contracting: Weapon-related products and services at a Level of Involvement Threshold of <math>\geq 10\%</math>.</li> <li>Exclusions are applied for Controversial Weapons: Non-Tailor Made or Non-Essential at a Level of Involvement Threshold of <math>&gt;0\%</math> and a Significant Ownership Threshold of <math>\geq 25\%</math>.</li> <li>Exclusions are applied for Tobacco Products: Related Products/Services and Tobacco Products: Retail at a Level of Involvement Threshold of <math>\geq 5\%</math> and no Significant Ownership Threshold.</li> </ul>



Index	Change	Effective Date (After Close)	Previous	Methodology Updated
S&P/BMV Total Mexico ESG Index	Quarterly Eligibility Review	06/17/2022	--	Index constituents are reviewed on a quarterly basis for ongoing eligibility under the Business Activities and UNGC exclusion criteria. Companies determined to be ineligible are removed from the index, effective after the market close on the third Friday of March, September, and December. The reference date for this review is the last business day of the previous month. No constituent will be added to the index as a result of any deletion that may take place.
S&P/BMV Ingenius Index	Growth Scores	12/17/2021	Must have a growth score greater than or equal to 0.6. as of the rebalancing reference date.	Must have a growth score greater than or equal to 0.6. as of the rebalancing effective date.
S&P/BMV INMEX	Constituent Selection	09/17/2021	All stocks in the Index Universe are ranked, in descending order, based on a combined ranking of Volume Weighted Average Price (VWAP) float-adjusted market capitalization and six-month MDVT. The 20 stocks with the lowest rankings are selected and form the index. The VWAP float-adjusted market capitalization is calculated by multiplying the number of shares outstanding by the assigned company's IWF and by the VWAP over the prior three-month period.  In order to reduce turnover, the selection process is subject to a two-stock buffer, whereby current index constituents remain in the index if they rank among the 22 stocks with the lowest rankings.  In cases where two or more stocks have the same combined ranking, the most liquid stock based on MDVT is selected.	At each rebalancing, 20 eligible stocks are selected and form the index, according to the following process:  1. All stocks in the Index Universe are ranked, in descending order, based on a combined ranking of VWAP float-adjusted market capitalization and six-month MDVT. The VWAP float-adjusted market capitalization is calculated by multiplying the number of shares outstanding by the assigned company's IWF and by the VWAP over the prior three-month period.  2. The highest ranked 18 companies are selected.  3. Current constituents ranked 19-22 are selected until the target constituent count of 20 is reached.  4. If at this point there are still less than 20 constituents, non-constituents are selected until the target constituent count is reached.  If two or more stocks share the same combined ranking, the most liquid stock, based on MDVT, is selected.
S&P/BMV Total Mexico ESG Index	Index Eligibility for Companies in Relation to Thermal Coal	06/17/2022	--	Companies must generate less than 5% of their revenues from thermal coal.
S&P/BMV Dividend Index	Dividend Payments	03/19/2021	For a given stock, dividends must have been paid for at least four years in the prior five-year period. Companies are excluded if they eliminate their latest scheduled dividend payments or cancel their subsequent scheduled dividends.	For a given stock, dividends must have been paid for at least four years in the prior five-calendar year period. If less than 20 stocks are eligible as of the reference date, the rule will be relaxed so that dividends must have been paid for at least three years in the prior five-calendar year period.
S&P/BMV Dividend Index	Quarterly Dividend Review	03/19/2021	In addition to the annual rebalancing, constituent stocks are reviewed on a quarterly basis. At the discretion of S&P Dow Jones Indices, if a constituent stock publicly announces a suspension to or cancellation of its dividend program, the stock may be removed effective prior to the open of the first business day of the following month and not replaced until the following reconstitution. Any changes are announced five business days prior to month-end. The decision to remove an index constituent is based on information publicly announced by the company as of seven business days prior to month-end.	In addition to the annual rebalancing, constituent stocks are reviewed on a quarterly basis. At the discretion of S&P Dow Jones Indices, if a constituent stock publicly announces the elimination of its latest scheduled dividend payment or cancels its subsequent scheduled dividend, the stock may be removed effective after the close of the third Friday of March, June, September and December. Any changes are announced after the close of the second Friday of the rebalancing month. The decision to remove an index constituent is based on information publicly announced by the company as of the Wednesday prior to the second Friday of the rebalancing month.
S&P/BMV Dividend Index	Constituent Replacement	03/19/2021	--	As part of on-going index maintenance, companies that are removed from the index as a consequence of the quarterly dividend review or a corporate event, such as a delisting, bankruptcy, merger or takeover are replaced during the quarterly rebalancings of June, September and

Index	Change	Effective Date (After Close)	Previous	Methodology Updated
				December. In the case that the index has less than 20 stocks during these quarterly reviews, the highest ranked non-constituent stock as of the reference date is selected. The reference date for the Turnover, Marketability and Dividend Yield Factors is the last business day of the month prior to the rebalancing month.
S&P/BMV China SX20 Index	Index Universe	03/01/2021	The Index Universe consists of all stocks of Chinese companies that trade on NYSE and Nasdaq in the form of level II or level III ADRs and ADSs, that are also listed on the BMV's SIC (International Quotation System).	The Index Universe consists of all stocks domiciled in China listed on the BMV's SIC (International Quotation System) and listed in the U.S. on U.S. exchanges (NYSE, Nasdaq, and OTC).
S&P/BMV China SX20 Index	Constituent Weightings	03/01/2021	The index is weighted based on FMC, subject to a single stock weight cap of 10%.	The index is weighted based on FMC, subject to the following constraints: <ul style="list-style-type: none"> <li>No single stock's weight can exceed 15%, and</li> <li>The aggregate weight of the five largest stocks cannot exceed 60%.</li> </ul>
S&P/BMV China SX20 Index	Constituent Replacement	03/01/2021	Except for spin-offs, there are no intra-rebalancing additions	<p>Between semi-annual rebalancings, index additions occur only in response to an index deletion. When an index deletion occurs, an addition is made according to the following process:</p> <p>The eligible non-constituent with the lowest joint Marketability Factor and VWAP FMC ranking over the prior six-month period is selected and added to the index. The effective date of the addition is the same date as the deletion effective date. The Marketability Factor reference date for additions is the same reference date used for the latest semi-annual rebalancing. The VWAP FMC reference date is seven business days prior to the addition effective date.</p> <p>In cases where two or more non-constituents share the same joint ranking, the stock with the highest VWAP FMC is selected.</p> <p>Except for spin-offs (which are added at a zero price), an addition made using the constituent replacement rule is added to the index with the same AWF as the largest AWF currently represented in the index. If using the largest AWF in the index would result in the addition's weight being higher than the maximum stock weight as of the date the addition is announced, the addition is added to the index with index shares commensurate with the index shares of the stock capped at the maximum weight using the closing prices on the date the addition is announced. In such cases, index shares for current constituents remain constant.</p>
All S&P/BMV Equity Indices	Treatment of Spin-Offs	12/11/2020	A spun-off entity is added to all indices of which the parent is a constituent, at a zero price at the market close of the day before the ex-date. There is no divisor change. All key attributes of the spun-off company are the same as those of the parent at the time of addition. For more information, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.	<p>Except for the indices detailed below, a spin-off is added to all indices of which the parent is a constituent at a zero price at the market close of the day before the ex-date. There is no divisor change. All key attributes of the spin-off are the same as those of the parent at the time of addition. The spin-off remains in the index and is evaluated for continued inclusion at the subsequent reconstitution.</p> <p>For the following indices, the spin-off is added to the index at a zero price and is dropped from the index after the first day of regular way trading, provided the drop event has been announced at least two days prior to the drop date:</p> <ul style="list-style-type: none"> <li>S&amp;P/BMV Bursa Optimo Index</li> <li>S&amp;P/BMV Dividend Index</li> </ul>

Index	Change	Effective Date (After Close)	Previous	Methodology Updated
				<ul style="list-style-type: none"> <li>S&amp;P/BMV Ingenius Index</li> <li>S&amp;P/BMV IPC Quality, Value, and Growth Index</li> <li>S&amp;P/BMV Single Factor Indices</li> <li>S&amp;P/BMV Single Factor Indices – Weighted Versions</li> <li>S&amp;P/BMV Total Mexico ESG</li> </ul>
S&P/BMV Economic Activity Indices  S&P/BMV Investable Select Sector Indices	Trading History	09/20/2019	Stocks must not have five or more non-trading days over the prior three-month period as of the rebalancing reference date.	Stocks must have a trading history of at least three months. In addition, stocks must have traded on at least 80% of the available trading days over the prior 12-month period as of the rebalancing reference date. For stocks with less than 12 months of trading history (e.g., initial public offerings), the threshold is applied to the available trading history.
S&P/BMV IPC Quality, Value & Growth Index	Name change	03/29/2019	The index name was S&P/BMV Quality, Value & Growth Index.	The index name is S&P/BMV IPC Quality, Value & Growth Index.
S&P/BMV FIBRAS Index	Weighting Scheme	06/21/2019	The index is weighted based on each stock's value traded, subject to a single stock weight limit of 25%.	<p>The index is weighted by float-adjusted market capitalization, subject to the following constraints:</p> <ul style="list-style-type: none"> <li>No single stock's weight can exceed 25%.</li> <li>The aggregate weight of stocks with weights greater than 15% cannot exceed 60%.</li> <li>The weight of any individual stock is restricted to a maximum liquidity weight calculated as each stock's six-month MDVT divided by the sum of the six-month MDVT for all stocks in the index, multiplied by three. Note that the capping algorithm redistributes the excess weight to the other stocks in proportion to their initial weights. Where the capping algorithm fails, the liquidity weight cap is relaxed by 0.5 in each iteration until a solution is found.</li> </ul>
All S&P/BMV Indices	Float factors	09/21/2018	<p>For Mexico-domiciled companies whose primary exchange is the BMV, S&amp;P Dow Jones Indices leverages the annual float factors published by the BMV as the basis for the September annual review of IWFs. Adjustments to Mexican stock IWFs outside of the September annual review are made as needed using the methodology described in S&amp;P Dow Jones Indices' Float Adjustment Methodology. For more information on the BMV's float methodology, please refer to the BMV's Equity Indices Float-adjusted Shares Outstanding methodology available at <a href="http://www.bmv.com.mx/docs-pub/INDICES/CTEN_INOT/BMV_Equity_Indices_Float_adjusted_Shares_Outstanding.pdf">www.bmv.com.mx/docs-pub/INDICES/CTEN_INOT/BMV_Equity_Indices_Float_adjusted_Shares_Outstanding.pdf</a>. Based on differences in the S&amp;P Dow Jones Indices and BMV float methodologies, the IWF used in the S&amp;P/BMV Indices may differ from the standard IWF used in S&amp;P- and Dow Jones- branded indices. In the event BMV is unable to provide float information for a security listed on its exchange and included in an S&amp;P/BMV index, S&amp;P Dow Jones Indices will use its standard IWF.</p> <p>For the international listings in the S&amp;P/BMV China SX20 Index, S&amp;P Dow Jones Indices will use its standard IWF. For information on S&amp;P Dow Jones Indices standard IWF, please refer to S&amp;P Dow Jones Indices' Float Adjustment Methodology.</p>	<p>All issues in the S&amp;P/BMV 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.</p> <p><i>Please refer to S&amp;P Dow Jones Indices' Float Adjustment Methodology for a detailed description of float adjustment and IWFs.</i></p>

Index	Change	Effective Date (After Close)	Previous	Methodology Updated
S&P IPC CompMx Index	Liquidity Criteria	06/15/2018	<p>Stocks must have a monthly median traded value ratio (MTVR) of at least 1% over the prior three-month and 12-month periods.</p> <p>Stocks with a MTVR of less than 1%, but greater than 0.5% over the prior three-month and 12-month periods, must have an average daily value traded (ADVT) of at least MXN 10 million over the prior three-month period.</p> <p>Current index constituents remain eligible if they have a MTVR of at least 0.5% over the prior three-month and 12-month periods.</p>	<p>Stocks must have a MTVR of at least 1% over the prior three-month and 12-month periods, and a median daily value traded (MDVT) of at least MXN 4 million over the prior three-month period.</p> <p>Current index constituents remain eligible if they have a MTVR of at least 0.5% over the prior three-month and 12-month periods, and a MDVT of at least MXN 2 million over the prior three-month period.</p>
S&P/BMV IPC LargeCap, MidCap, and SmallCap	Constituent Selection	06/15/2018	Size segments are based on the cumulative market capitalization within the S&P/BMV IPC CompMx. Companies are ranked by total market capitalization, and then total company market capitalization is accumulated to 75% forming the S&P/BMV IPC LargeCap, the next 20% forming the S&P/BMV IPC MidCap, and the final 5% forming the S&P/BMV IPC SmallCap.	Size segments are based on the cumulative market capitalization within the S&P/BMV IPC CompMx. Companies are ranked by total market capitalization, and then float-adjusted market capitalization at the stock level is accumulated to 75% forming the S&P/BMV IPC LargeCap, the next 20% forming the S&P/BMV IPC MidCap, and the final 5% forming the S&P/BMV IPC SmallCap.
S&P/BMV IPC LargeCap, MidCap, and SmallCap	Constituent Weightings	06/15/2018	<p>Each index is weighted based on float-adjusted market capitalization, subject to the following constraints:</p> <ul style="list-style-type: none"> <li>No single stock's weight can exceed 25%.</li> <li>The aggregate weight of the five largest stocks cannot exceed 60%.</li> <li>Basket liquidity is applied to each index using a portfolio size of MXN 200 million to be turned over in one business day at 100% of its six-month MDVT. The index committee reserves the right to change the portfolio size if market conditions or other factors require it.</li> </ul>	<p>Each index is weighted based on float-adjusted market capitalization, subject to the following constraints:</p> <ul style="list-style-type: none"> <li>No single stock's weight can exceed 25%.</li> <li>The aggregate weight of the five largest stocks cannot exceed 60%.</li> <li>The weight of any individual stock is restricted to a maximum weight calculated as each stock's six-month MDVT divided by the sum of the six-month MDVT for all stocks in the index, multiplied by two. If a stock's float adjusted market capitalization weight exceeds the maximum weight, then that stock will be capped at its maximum weight and the excess weight will be redistributed proportionately to the remaining stocks that have not been capped.</li> </ul>
S&P/BMV China SX20 Index	Rebalancing Schedule	06/15/2018	The index is rebalanced semi-annually, effective after the market close on the third Friday of March and September. The rebalancing reference date is the last business day of January and July, respectively. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.	Index composition is reconstituted semi-annually, effective after the market close on the third Friday of March and September. The rebalancing reference date is the last business day of January and July, respectively. In addition, the index is reweighted outside of the semi-annual reconstitutions, effective after the market close on the third Friday of June and December. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.
S&P IPC CompMx Index	Rebalancing Schedule	06/15/2018	The index is rebalanced semi-annually, effective after the market close on the third Friday of June and December. The rebalancing reference date is the last business day of April and October, respectively. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.	Index composition is reconstituted semi-annually, effective after the market close on the third Friday of June and December. The rebalancing reference date is the last business day of April and October, respectively. In addition, the index is reweighted outside of the semi-annual reconstitutions, effective after the market close on the third Friday of March and September. Index shares are calculated using closing prices seven business days prior to the rebalancing effective date.
S&P/BMV China SX20 Index	Constituent Selection and Constituent Weighting	09/15/2017	The indices use total market capitalization for both component selection and weighting. BMV assigns a float of 1 to all international listings.	The indices use float-adjusted market capitalization for both component selection and weighting following S&P DJI's standard float methodology for international listings only.
S&P/BMV IPC CompMx,	Shares and Float changes	09/15/2017	The indices follow S&P Dow Jones Indices' Non-Market Capitalization	The indices follow S&P Dow Jones Indices' Float-Adjusted Market

Index	Change	Effective Date (After Close)	Previous	Methodology Updated
S&P/BMV China SX20 Index			Weighted methodology for index calculation purposes. Intra-rebalance changes to a constituent's shares outstanding or IWF have no effect on index weights and do not cause a divisor adjustment.	Capitalization corporate action treatment. Intra-rebalance changes to a constituent's shares outstanding or IWF will impact the total index market capitalization and cause a divisor adjustment.
All S&P/BMV Indices	Shares Change Implementation	09/15/2017	The indices used BMV share counts.	The indices use share counts as determined by S&P Dow Jones Indices.
All S&P/BMV Indices	Float factors	09/15/2017	Float factors are rounded up to the next 5% if higher than 15%. If higher than 12% but lower than 15%, float factors are kept unchanged. If lower than 12%, float factors are given a value of 0 unless the stock has a float-adjusted market cap of at least MXN 10,000 million, in which case it will use the actual float factor.  Float factor changes that result from the annual float review were implemented starting in June.	Float factors are rounded to the nearest one percentage point in order to better represent the float-adjusted market capitalization of each company.  Any float factor changes that result from the annual float review are implemented with the September rebalancing.
S&P/BMV IPC Index	Market Capitalization	09/15/2017	Stock series will be eligible if they have a floating Market cap, computed using the volume weighted average price of the three months prior to the constituents' review, of at least 0.1% of the total index market cap.	The Volume Weighted Average Price (VWAP) float-adjusted market capitalization must be at least MXN 10 billion (MXN 8 billion for current constituents).
S&P/BMV IPC Index	Minimum IWF	09/15/2017	Stocks must have an IWF of at least 12%, except for stocks with a float-adjusted market cap of at least MXN 10 billion.	Stocks must have an IWF of at least 0.10.
S&P/BMV IPC Index	Trading History	09/15/2017	Companies with 5 or more non-trading days over the three-month period prior to the rebalancing reference date are ineligible.	As of the rebalancing reference date: <ul style="list-style-type: none"> <li>Stocks must have a trading history of at least three months.</li> <li>Stocks must have traded on at least 95% of the available trading days over the prior six-month period.</li> <li>For stocks with less than six months of trading history (e.g., initial public offerings), the 95% threshold is applied to the available trading history.</li> </ul>
S&P/BMV IPC Index	Multiple Share Classes	09/15/2017	If a company has multiple share classes, the most liquid share class, as of the rebalancing reference date, based on Marketability Scores, is considered for index inclusion.	If a company has multiple share classes, the most liquid share class, as of the rebalancing reference date, based on the MTVR over the prior six-month period is considered for index inclusion.
S&P/BMV IPC Index	Constituent Selection	09/15/2017	Eligible stocks are ranked by the Turnover Factor, calculated as follows: <ol style="list-style-type: none"> <li>Calculate the median share volume (Subtracting from the daily volume of each issuer, the volume of Cross Trades that exceeds the average of the market's Cross Trades activity of the last 12 months plus 1.5 standard deviations) for each month, for the trailing 12 months leading up to the rebalance reference date.</li> <li>Divide each of the monthly median share volume figures by the float-adjusted shares outstanding. The float-adjusted shares outstanding are as of the same date that is used for the median share volume. For example, if the median share volume for a given stock is from the 15th of the month, the float-adjusted shares outstanding are also as of the 15th of that same month. This is the monthly turnover ratio.</li> <li>Determine the median of the available monthly turnover ratios from Step 2. Stocks with less than three months of trading history are ineligible.</li> <li>Calculate the 12-month value traded by taking each stock's daily price, multiplied by its share volume, and aggregated over a 12-month period</li> </ol>	All stocks in the Selection Universe are evaluated based on the following liquidity criteria using data as of the rebalancing reference date: <ul style="list-style-type: none"> <li>Stocks must have a median daily value traded (MDVT) of at least MXN 50 million (MXN 30 million for current constituents) over the prior three-month and six-month periods.</li> <li>Stocks must have an annualized median traded value ratio (MTVR) of at least 25% over the prior three-month and six-month periods.</li> <li>Current index constituents remain eligible if they have an annualized MTVR of at least 15% over the prior three-month and six-month periods.</li> </ul> <p>If there are more than 35 eligible stocks, then the eligible stocks are ranked, in descending order, based on a combined ranking of VWAP float-adjusted market capitalization and six-month MDVT. The stocks with the greatest rankings are excluded until the constituent count reaches 35.</p> <p>If there are less than 35 eligible stocks, then stocks in the Selection Universe not meeting the constituent selection liquidity criteria are ranked, in descending order, based on a combined ranking of VWAP</p>

Index	Change	Effective Date (After Close)	Previous	Methodology Updated
			<p>(subtracting from the daily volume of each issuer the volume of Cross Trades that exceeds the average of the market's Cross Trades activity of the last 12 months plus 1.5 standard deviations). If a stock has less than 12 months of trading history, its aggregate value traded is annualized.</p> <p>5. Multiply the median monthly turnover ratio from Step 3 by the aggregate 12-month value traded from Step 4. Divide by the aggregate 12-month value traded for all eligible stocks. This is the stock's turnover factor.</p> <p>The 55 stocks with the largest turnover factors are then ranked by each of the following factors:</p> <ol style="list-style-type: none"> <li>1. Turnover Factor</li> <li>2. VWAP Float-Adjusted Market Capitalization for the last 12 months.</li> <li>3. Value Traded, represented as the median of the monthly medians of value traded for the last 12 months. The monthly median value traded is defined as the median of all the daily value traded (Subtracting from the daily volume of each issuer, the volume of Cross Trades that exceeds the average of the market's Cross Trades activity of the last 12 months plus 1.5 standard deviations) for a given stock in a given month. The value traded is calculated by multiplying the number of shares traded by each stock's price.</li> </ol> <p>After ranking has been assigned for all the eligible stocks for each of the above factors, a joint rating is calculated for each stock by adding up the three rankings. The 35 stocks with the lowest joint ratings are selected for index inclusion.</p> <p>In cases where two or more stocks have the same joint rating, the stock with the highest VWAP float-adjusted market capitalization is selected.</p>	<p>float-adjusted market capitalization and six-month MDVT. The stocks with the lowest rankings are added to the index until the constituent count reaches 35.</p> <p>In cases where two or more stocks have the same combined ranking, the most liquid stock based on MDVT is selected.</p>
S&P/BMV IPC Index	Pro-forma Schedule and Pricing Reference Dates	09/15/2017	<p>Pro-forma files are typically provided 10 business days in advance of the rebalancing date.</p> <p>The preliminary index shares are calculated using closing prices from 10 business days prior to the rebalancing date.</p> <p>The final index shares are provided as of the close of trading two business days prior to the rebalancing date and are calculated using closing prices from two business days prior to the rebalancing date.</p>	<p>Pro-forma files are provided 10 business days prior to the March and September rebalancing date. Pro-forma files are provided five business days prior to the June and December reweighting effective date.</p> <p>Index shares are calculated using closing prices 12 business days prior to the March and September rebalancing effective date and seven business days prior to the June and December reweighting effective date.</p>
S&P/BMV INMEX	Constituent Selection	09/15/2017	<p>Stocks meeting the eligibility criteria are ranked by the Turnover Factor, calculated as follows:</p> <ol style="list-style-type: none"> <li>1. Calculate the median share volume (Subtracting from the daily volume of each issuer, the volume of Cross Trades that exceeds the average of the market's Cross Trades activity of the last 12 months plus 1.5 standard deviations) for each month, for the trailing 12 months leading up to the rebalance reference date.</li> <li>2. Divide each of the monthly median share volume figures by the float-adjusted shares outstanding. The float-adjusted shares outstanding are</li> </ol>	<p>All stocks in the Index Universe are ranked, in descending order, based on a combined ranking of Volume Weighted Average Price (VWAP) float-adjusted market capitalization and six-month median daily value traded (MDVT). The 20 stocks with the lowest rankings are selected and form the index. The VWAP float-adjusted market capitalization is calculated by multiplying the number of shares outstanding by the assigned company's IWF and by the VWAP over the prior three-month period.</p> <p>To reduce turnover, the selection process is subject to a two-stock buffer, whereby current index constituents remain in the</p>

Index	Change	Effective Date (After Close)	Previous	Methodology Updated
			<p>as of the same date used for the median share volume. For example, if the median share volume for a given stock is from the 15th of the month, the float-adjusted shares outstanding are also as of the 15th of that same month. This becomes the monthly turnover ratio.</p> <p>3. Determine the median of the available monthly turnover ratios from Step 2. Stocks with less than three months of trading history are ineligible.</p> <p>4. Calculate the 12-month value traded by taking each stock's daily price, multiplied by its share volume, and aggregated over a 12-month period (subtracting from the daily volume of each issuer, the volume of Cross Trades that exceeds the average of the market's Cross Trades activity of the last 12 months plus 1.5 standard deviations). If a stock has less than 12 months of trading history, its aggregate value traded will be annualized.</p> <p>5. Multiply the median monthly turnover ratio from Step 3 by the aggregate 12-month value traded from Step 4. Divide by the aggregate 12-month value traded for all stocks that fulfill the eligibility criteria described in the Eligibility Factors section above. This is the stock's turnover factor.</p> <p>The 55 stocks with the largest turnover factors are then ranked by each of the following factors.</p> <ol style="list-style-type: none"> <li>1. Turnover Factor</li> <li>2. VWAP Float-Adjusted Market Capitalization</li> <li>3. Value Traded, calculated as the median of the monthly medians of value traded for the last 12 months. The monthly median value traded is defined as the median of all the daily value traded (subtracting from the daily volume of each issuer, the volume of Cross Trades that exceeds the average of the market's Cross Trades activity of the last 12 months plus 1.5 standard deviations) for a given stock in a given month. The value traded is calculated by multiplying the number of shares traded by each stock's price.</li> </ol> <p>After ranking has been assigned for all eligible stocks for each of the above factors, a joint rating is calculated for each company by adding up the three rankings.</p> <p>The 20 stocks with the lowest joint ratings are selected for index inclusion.</p> <p>In cases where two or more stocks have the same joint rating, the stock with the highest VWAP float-adjusted market capitalization is selected.</p>	<p>index if they rank among the 22 stocks with the lowest rankings.</p> <p>In cases where two or more stocks have the same combined ranking, the most liquid stock based on MDVT is selected.</p>
S&P/BMV INMEX	Pro-forma Schedule and Pricing Reference Dates	09/15/2017	<p>Pro-forma files are typically provided 5 business days in advance of the rebalancing date.</p> <p>The preliminary index shares are calculated using closing prices from 5 business days prior to the rebalancing date.</p>	<p>Pro-forma files are provided five business days prior to the rebalancing or reweighting effective date.</p> <p>Index shares are calculated using closing prices seven business days prior to the rebalancing or reweighting effective date.</p>

Index	Change	Effective Date (After Close)	Previous	Methodology Updated
			The final index shares are provided as of the close of trading two business days prior to the rebalancing date and are calculated using closing prices from two business days prior to the rebalancing date.	
S&P/BMV IPC and S&P/BMV INMEX Indices	Rebalancing Schedule	09/15/2017	Index composition is reconstituted annually, effective after the market close on the last business day of August. The rebalancing reference date is the last business day of July. In addition, the index is reweighted outside of the annual rebalancing, effective after the market close on the last business day of February, May, and November.	Index composition is reconstituted semi-annually, effective after the market close on the third Friday of March and September. The rebalancing reference date is the last business day of January and July, respectively. In addition, the index is reweighted outside of the semi-annual rebalancings, effective after the market close on the third Friday of June and December.
All S&P/BMV Total Return Indices <sup>21</sup>	Total Return Calculation	08/31/2017	<p>The BMV total return indices are currently calculated by multiplying the total return index level of the prior day by the variation between the Index Market Capitalization Value and the Adjusted Index Market Capitalization Value affected by dividends of the prior day.</p> $\text{Total Return Index}_t = \text{Total Return Index}_{t-1} * \left( \frac{\text{MCV}}{\text{AMCV}} \right)$ $\text{MCV} = \left( \sum P_{it} * Q_{it} \right)$ $\text{AMCV} = \left( \sum AP_{it-1} * Q_{it-1} \right)$ $AP = P_{it} - D_{it}$ <p>where:</p> <p>MCV = Market Capitalization Value</p> <p>AMCV = Adjusted Market Capitalization Value affected by dividends of the prior day</p> <p><math>D_{it}</math> = Dividend per share paid for stock i on day t</p> <p><math>P_{it}</math> = Closing price per share i on day t</p> <p><math>AP_{it-1}</math> = Adjusted Price per share i on day t - 1</p> <p><math>Q_{it}</math> = Number of index shares i on day t</p> <p><math>i = 1, \dots, n</math></p>	<p>The indices follow S&amp;P Dow Jones Indices' standard total return calculation</p> <p>Please refer to S&amp;P Dow Jones Indices' Index Mathematics Methodology for more information on total return calculations.</p>
S&P/BMV IPC and S&P/BMV INMEX Indices	Stock Replacements	06/28/2017	A replacement is made at the time that a current constituent is removed due to mergers, acquisitions, takeovers, delisting, bankruptcy, suspensions, or other reasons that warrant ineligibility.	<p>Socks replacements are added only at the time of the semi-annual rebalancing.</p> <p>If the S&amp;P/BMV IPC Index's constituent count falls below 30, the Index Committee will review the index to determine if replacement stocks are required to maintain the index objective. Advance notice will be provided prior to the addition of a replacement stock outside of the regularly scheduled index reconstitutions.</p>
S&P/BMV IPC CompMx Index	Company Size Classification	06/16/2017	Company sizes are determined based on float-adjusted market capitalization.	Company sizes are determined based on total market capitalization.
S&P/BMV IPC CompMx Index	Constituent Count	06/16/2017	The index has a fixed constituent count of 60.	The index has a floating number of constituents.
S&P/BMV IPC CompMx Index	Liquidity Criteria and Constituent Selection Process	06/16/2017	<p>Eligible stocks are ranked by the Turnover Factor, calculated as follows:</p> <ol style="list-style-type: none"> <li>1. Calculate the median share volume (subtracting from the daily volume of each issuer, the volume of Cross Trades that exceeds the average of the market's Cross Trades activity of the last 12 months plus 1.5 standard deviations) for each month, for the six</li> </ol>	<p>In addition to the other eligibility criteria, all stocks in the Index Universe must satisfy the following liquidity criteria to become part of the Selection Universe:</p> <ul style="list-style-type: none"> <li>• Stocks must have a monthly median traded value ratio (MTVR) of at least 1% over the prior three-month and 12-month periods. Stocks with a MTVR of less than 1%, but greater</li> </ul>

<sup>21</sup> The S&P/BMV IPC Quality, Value and Growth Index always followed S&P Dow Jones Indices' standard total return calculation.



Index	Change	Effective Date (After Close)	Previous	Methodology Updated
			<p>months leading up to the rebalance reference date.</p> <p>2. Divide each of the monthly median share volume figures by the float-adjusted shares outstanding. The float-adjusted shares outstanding are as of the same date used for the median share volume. For example, if the median share volume for a given stock is from the 15th of the month, the float-adjusted shares outstanding are also as of the 15th of that same month. This becomes the monthly turnover ratio.</p> <p>3. The median of the available monthly turnover ratios from Step 2 is the Turnover Factor.</p> <p>The 70 stocks with the largest turnover factors are then ranked by each of the following factors:</p> <ol style="list-style-type: none"> <li>1. Turnover Factor.</li> <li>2. Total company market capitalization, measured as the six-month average prior to the rebalancing reference date.</li> <li>3. Value traded, represented by the median of the monthly medians of value traded for the last six months. The monthly median value traded is defined as the median of all the daily value traded for a given company in a given month. The value traded is calculated by multiplying the number of shares traded (subtracting from the daily volume of each issuer, the volume of Cross Trades that exceeds the average of the market's Cross Trades activity of the last 12 months plus 1.5 standard deviations) by each stock's price.</li> </ol> <p>After ranking has been assigned for all eligible companies for each of the above factors, a joint rating is determined for each stock by adding up the three rankings. In cases where two or more stocks have the same joint rating, stocks are ranked in order of the highest float adjusted market capitalization.</p> <p>The 58 stocks with the lowest joint ratings are selected for index inclusion. To reach a count of 60, the two stocks in the remaining eligible list with the highest Turnover Factors are selected for inclusion in the index.</p>	<p>than 0.5% over the prior three-month and 12-month periods, must have an average daily traded value (ADVT) of at least MXN 10 million over the prior three-month period.</p> <ul style="list-style-type: none"> <li>• Current index constituents remain eligible if they have a MTVR of at least 0.5% over the prior three-month and 12-month periods.</li> <li>• The monthly MTVR is determined as follows: <ol style="list-style-type: none"> <li>1. Calculate the median daily value traded (MDVT) for every month.</li> <li>2. Calculate the number of days traded for every month.</li> <li>3. Calculate the month-end float-adjusted market capitalization.</li> <li>4. <math>MTVR = (\text{Result from Step 1} * \text{Result from Step 2}) / \text{Result from Step 3}</math>.</li> <li>5. Calculate the average MTVR for three months and 12 months.</li> </ol> </li> </ul> <p>All stocks in the Selection Universe are selected and form the index.</p>
S&P/BMV IPC CompMx Index	Trading History	06/16/2017	Companies with five or more non-trading days over the last three months prior to the rebalancing reference date are ineligible.	<p>As of the rebalancing reference date:</p> <ul style="list-style-type: none"> <li>• Stocks must have traded on at least 90% of the available trading days over the prior 12-month period.</li> <li>• For stocks with less than 12 months of trading history (e.g., initial public offerings), the 90% threshold is applied to the available trading history.</li> <li>• Current index constituents remain eligible if they have traded on at least 80% of the available trading days over the prior 12-month period and 95% over the prior three-month period.</li> </ul>
S&P/BMV IPC CompMx Index	Multiple Share Classes	06/16/2017	If a company has multiple share classes, the most liquid share class based on Marketability Scores is selected.	If a company has multiple share classes, all share classes are eligible provided that they individually satisfy the other eligibility criteria. Each share class line included in the index is weighted based on its

Index	Change	Effective Date (After Close)	Previous	Methodology Updated
S&P/BMV IPC CompMx Index	IPO Eligibility and Inclusion	06/16/2017	Significantly sized IPOs or securities performing large secondary public offerings (also known as placements) are added if the security meets all index eligibility criteria. In addition, the stock's float-adjusted market capitalization must be at least 0.5% of the aggregate of all float-adjusted market capitalization of the S&P/BMV IPC CompMx Index constituents as of the close of its first trading day. Eligible stocks are added to the index three months after the closest scheduled rebalancing, effective after the market close of the last business day of either January or July. When stocks are added as a result of this rule, the number of constituents in the index increases until the next scheduled rebalancing, when the number of constituents is set back to the target count 60.	individual float-adjusted market capitalization. IPOs or securities performing large secondary public offerings (also known as placements) are added to the index if the security meets all index eligibility criteria and is among the top five companies based on float-adjusted market capitalization at the semi-annual rebalance. If eligible, such securities are added to the index only at the semi-annual rebalancing.
S&P/BMV IPC LargeCap, MidCap, and SmallCap Indices	Multiple Share Classes	06/16/2017	If a company has multiple share classes, the most liquid share class based on Marketability Scores is selected.	If a company has multiple share classes, the most liquid share class based on the MTRV over the prior 12-month period is selected.
S&P/BMV IPC LargeCap, MidCap, and SmallCap Indices	Constituent Selection Size Segments	06/16/2017	Stocks in the S&P/BMV IPC CompMx Index are ranked by float-adjusted market capitalization. <ul style="list-style-type: none"> <li>The largest 20 stocks are selected and form the BMV IPC LargeCap.</li> <li>Stocks ranked 21 to 40 are selected and form the S&amp;P/BMV IPC MidCap Index.</li> <li>The 20 smallest stocks are selected and form the S&amp;P/BMV IPC SmallCap Index.</li> </ul>	Size segments are based on the cumulative market capitalization within the S&P/BMV IPC CompMx. Companies are ranked by total market capitalization, and then total company market capitalization is accumulated to 75% forming the S&P/BMV LargeCap Index, the next 20% forming the S&P/BMV MidCap Index, and the final 5% forming the S&P/BMV SmallCap Index.  If a company has multiple share classes, the share classes are combined to measure the company's total market cap.
S&P/BMV IPC LargeCap, MidCap, and SmallCap Indices	Constituent Selection Buffer Rule	06/16/2017	--	A 3% buffer is applied to each index during rebalancing to minimize unnecessary turnover.
S&P/BMV IPC LargeCap, MidCap, and SmallCap Indices	Minimum Constituent Count	06/16/2017	Each index has a fixed constituent count of 20 stocks.	A 10-stock minimum constituent count is required for each index.
S&P/BMV IPC LargeCap, MidCap, and SmallCap Indices	Constituent Weighting	06/16/2017	Each index is weighted based on float-adjusted market capitalization, subject to the following: <ul style="list-style-type: none"> <li>No single stock's weight can exceed 25%.</li> <li>The aggregate weight of the five largest stocks cannot exceed 60%.</li> </ul>	Each index is weighted based on float-adjusted market capitalization, subject to the following: <ul style="list-style-type: none"> <li>No single stock's weight can exceed 25%.</li> <li>The aggregate weight of the five largest stocks cannot exceed 60%.</li> <li>Basket liquidity is applied to each index using a portfolio size of MXN 200 million to be turned over in one business day at 100% of its six-month median daily value traded. The index committee reserves the right to change the portfolio size if market conditions or other factors require it.</li> </ul>
S&P/BMV Economic Activity Indices	Rebalancing Schedule	06/16/2017	Index composition is reconstituted annually, effective after the market close on the last business day of May.	Index composition is reconstituted annually, effective after the market close on the third Friday of June. The rebalancing reference date is the last business day of April. In addition, each index is reweighted quarterly outside of the annual rebalancing, effective after the market close on the third Friday of March, September, and December.

Index	Change	Effective Date (After Close)	Previous	Methodology	Updated
S&P/BMV Economic Activity Indices	Economic Activity Clusters	06/16/2017	Eligible stocks are classified into each of the below economic sectors based on a proprietary industry classification system created by the Mexico Stock Exchange: 1. S&P/BMV Mining & Agriculture Index: Mining and Agriculture 2. S&P/BMV Manufacturing, Electricity, & Water Index: Manufacturing Industry, Electricity, Gas and Water Sectors 3. S&P/BMV Construction Index: Construction 4. S&P/BMV Retail & Distributors Index: Retail and Distributors 5. S&P/BMV Infrastructure & Transportation Index: Infrastructure and Transportation 6. S&P/BMV Financial Services Index: Financial Services 7. S&P/BMV Commercial Services Index: Commerce and Services		Please refer to <i>Appendix I</i> for the makeup of the new Economic Activity Clusters.
All S&P/BMV Indices	Suspensions	06/02/2017	For a suspended index constituent, the price used for calculation is provided by the Price Vendors authorized by the "Comisión Nacional Bancaria y de Valores" in its price vector. If there is no consensus among these Price Vendors, BMV uses the mean value.  A stock deleted from the index once its suspension period has reached 20 consecutive business days using the price as stated above.		For suspended stocks, the last available official closing price prior to the suspension is used for index calculation during the suspension period. Suspended stocks that exceed a threshold of 20 business days are reviewed for possible index deletion. Any deletion is made using a stock price of zero and with five days' advanced notice.
All S&P/BMV Indices	Capital Repayments	06/02/2017	Capital repayments are always treated with a corresponding price adjustment even if it is declared as ordinary per the historical pattern.		A capital repayment is treated as an ordinary cash dividend when declared in lieu of an ordinary dividend and it is consistent with historical patterns for both amount and frequency.
All S&P/BMV Indices	Spin-offs	06/02/2017	Spin-offs added at the market price on the ex-date.		A spun-off entity is added to all indices of which the parent is a constituent, at a zero price at the market close of the day before the ex-date. There is no divisor change. All key attributes of the spun-off company are the same as those of the parent at the time of addition. For more information, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.
All S&P/BMV Indices	Dividends for U.S. Listings	06/02/2017	Dividends' net withholding tax is reinvested for gross total return indices.		Gross dividends are reinvested for gross total return indices.
All S&P/BMV Indices	Dividend Conversion	06/02/2017	BANXICO Exchange rates are used for any dividend conversions.		The Valmer FX spot rate captured at 2:00 PM Mexico City time is used for dividend conversion in the event that a constituent pays a dividend in a currency other than the Mexican peso (MXN).
All S&P/BMV Indices	Pro-forma Schedule and Pricing Reference Dates during Rebalancing	06/02/2017	Preliminary index shares are provided and calculated using closing prices from five business days prior to the rebalancing date. Final index shares are provided and calculated using closing prices from two business days prior to the rebalancing date.		Index shares are assigned based on prices two business days prior to the pro-forma date and pro-forma files are provided five business days in advance of the rebalancing effective date (10 business days in advance of the rebalancing effective date for the March and September rebalancing for the S&P/BMV IPC Index).
S&P/BMV Bursa Optimo, IPC CompMx, IPC LargeCap, IPC MidCap, IPC SmallCap, China SX20, FIBRAS, and Dividend Indices	Shares and Float changes	06/02/2017	Shares and float changes are applied to the indices intra-rebalancing.		Shares outstanding or IWF changes have no effect on index weights. To neutralize the impact, an additional weight factor (AWF) is assigned to the applicable constituent in order to maintain constant index share counts before and after the event. For more information on Non-Market Capitalization Weighted Indices, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.
All S&P/BMV Indices	Real-time Calculations	06/02/2017	The indices use VWAP or last traded price depending on trading during the last 20 minutes prior to the market close.		Consistent with international standards, the indices only use actual trades for intraday real-time index calculations.

		Methodology		
Index	Change	Effective Date (After Close)	Previous	Updated
S&P/BMV China SX20 Index	Exchange Rates	06/02/2017	Mexican peso / U.S. dollar mid-market spot FX rate captured at 3:10 PM Mexico City time "MXN =", (BID+ASK)/2	Valmer Mexican peso / U.S. dollar FX spot rate captured at 2:00 PM Mexico City time.
All S&P/BMV Indices except for the S&P/BMV IPC and S&P/BMV INMEX Indices	Rebalancing Schedule	06/02/2017	Indices were rebalanced effective on the first business day of the month. The rebalancing reference date is the last business day of the month, two months prior to the rebalancing effective date.	Indices are rebalanced effective after the close on the third Friday of March, June, September, and December. The rebalancing reference date is the last business day of the month, two months prior to the rebalancing effective date. Please refer to Eligibility Criteria and Index Construction for each index's rebalancing schedule.
All BMV Indices	BMV Indices Become S&P/BMV Indices and Indices are Renamed	06/02/2017	Index names are as follows: 1. IPC (Price & Quotations Index) 2. IRT (Total Return Price & Quotations Index) 3. IPC CompMx (Stock Market Composition Index) 4. IRT CompMx (Total Return Stock Market Composition Index) 5. IPC LargeCap (Large Capitalization Index) 6. IRT LargeCap (Total Return Large Capitalization Index) 7. IPC MidCap (Medium Capitalization Index) 8. IRT MidCap (Total Return Medium Capitalization Index) 9. IPC SmallCap (Small Capitalization Index) 10. IRT SmallCap (Total Return Small Capitalization Index) 11. BMV Fibras 12. BMV Fibras RT 13. INMEX (Mexico Index) 14. INMEX RT (Total Return Mexico Index) 15. Bursa Óptimo 16. Bursa Óptimo RT 17. BMV-Extractive 18. BMV-Extractive RT 19. BMV-Transforms 20. BMV-Transforms RT 21. BMV-Build 22. BMV-Build RT 23. BMV-Trade 24. BMV-Trade RT 25. BMV-Link 26. BMV-Link RT 27. BMV-Services 28. BMV-Services RT 29. BMV-Miscellaneous 30. BMV-Miscellaneous RT 31. BMV-Materials 32. BMV-Materials RT 33. BMV-Industrials 34. BMV-Industrials RT 35. BMV Consumer Staples 36. BMV Consumer Staples RT 37. BMV-Financial 38. BMV-Financial RT 39. MATERIALS 40. INDUSTRIALS	Index names are as follows: 1. S&P/BMV IPC 2. S&P/BMV IRT 3. S&P/BMV IPC CompMx 4. S&P/BMV IRT CompMx 5. S&P/BMV IPC LargeCap 6. S&P/BMV IRT LargeCap 7. S&P/BMV IPC MidCap 8. S&P/BMV IRT MidCap 9. S&P/BMV IPC SmallCap 10. S&P/BMV IRT SmallCap 11. S&P/BMV FIBRAS Index 12. S&P/BMV FIBRAS Index TR 13. S&P/BMV INMEX 14. S&P/BMV INMEX TR 15. S&P/BMV Bursa Optimo Index 16. S&P/BMV Bursa Optimo Index TR 17. S&P/BMV Mining & Agriculture Index 18. S&P/BMV Mining & Agriculture Index TR 19. S&P/BMV Manufacturing, Electricity, & Water Index 20. S&P/BMV Manufacturing, Electricity, & Water Index TR 21. S&P/BMV Construction Index 22. S&P/BMV Construction Index TR 23. S&P/BMV Retail & Distributors Index 24. S&P/BMV Retail & Distributors Index TR 25. S&P/BMV Infrastructure & Transportation Index 26. S&P/BMV Infrastructure & Transportation Index TR 27. S&P/BMV Financial Services Index 28. S&P/BMV Financial Services Index TR 29. S&P/BMV Commercial Services Index 30. S&P/BMV Commercial Services Index TR 31. S&P/BMV Materials Select Sector Index 32. S&P/BMV Materials Select Sector Index TR 33. S&P/BMV Industrials Select Sector Index 34. S&P/BMV Industrials Select Sector Index TR 35. S&P/BMV Consumer Staples Select Sector Index 36. S&P/BMV Consumer Staples Select Sector Index TR

Index	Change	Effective Date (After Close)	Methodology	
			Previous	Updated
			41. CONSUMER DISCRETIONARY & SERVICES 42. CONSUMER STAPLES 43. HEALTH CARE 44. FINANCIAL SERVICES 45. TELECOMMUNICATION SERVICES 46. IMeBz RT 47. China SX20 48. China SX20 RT 49. BMV Daily Double Index 50. BMV Daily Inverse Index 51. BMV Profitable Index (BMV Rentable Index)	37. S&P/BMV Financials Select Sector Index 38. S&P/BMV Financials Select Sector Index TR 39. S&P/BMV Materials Sector Index 40. S&P/BMV Industrials Sector Index 41. S&P/BMV Consumer Discretionary Sector Index 42. S&P/BMV Consumer Staples Sector Index 43. S&P/BMV Health Care Sector Index 44. S&P/BMV Financials Sector Index 45. S&P/BMV Telecommunication Services Sector Index 46. S&P/BMV China SX20 Index 47. S&P/BMV China SX20 Index TR 48. S&P/BMV IPC 2X Leverage Daily Index 49. S&P/BMV IPC Inverse Daily Index 50. S&P/BMV Dividend Index TR
BMV IPC CompMx, LargeCap, MidCap, and SmallCap Indices	Rebalancing Schedule	04/01/2017	The index is rebalanced semi-annually effective after the close on the last business day of April and October.	The index is rebalanced semi-annually, effective after the market close on the third Friday of June and December. The rebalancing reference date is the last business day of April and October, respectively.
BMV Profitable Index	Deletions	03/17/2017	Constituents are deleted from the index at each annual rebalancing.	Constituents are deleted at each rebalancing or reweighting if they eliminate their dividends.
BMV Profitable Index	Constituent Weighting	03/17/2017	Constituents are weighted based on float-adjusted market capitalization, subject to an individual stock weight cap of 10%.	Constituents are weighted based on five-year average income, calculated as: Rolling average five-year dividends * shares outstanding * float factor.
All BMV Indices	Shares and Float Change Implementation	12/01/2016	Daily share changes are applied to the indices regardless of the size of the change.	The BMV Indices follow S&P Dow Jones Indices' Shares and Float Change Policy. For more information, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document.
BMV FIBRAS Index	Minimum trading history for newly listed FIBRAS	11/08/2016	If there are less than 20 certificates in the index, then any new FIBRAS with at least three months of trading is included on the first day this condition is met.	Newly listed FIBRAS are only added to the index at the rebalancing if they have a trading history of at least three months.
All BMV Indices except for BMV IPC and INMEX Indices	Constituent replacement policy	11/01/2016	A replacement is made at the time that a current constituent is removed due to mergers, acquisitions, takeovers, delisting, bankruptcy, suspensions or other reasons that warrant ineligibility.	Constituent replacements are only added to an index at rebalancing.
All BMV Indices	Announcements of additions and deletions	11/01/2016	Advanced notice is not always provided for additions and deletions.	Additions and deletions are announced with one to five days advanced notice prior to any changes becoming effective.

# Appendix X – Backward Data Assumption

## Indices in this Methodology Employing Backward Data Assumption

- S&P/BMV Total Mexico ESG Index
- S&P/BMV IPC ESG Tilted Indices

**Backward Data Assumption.** The index employs a “Backward Data Assumption” method for some datapoints used in the derivation of historical index membership prior to the Live Data Effective Date (defined below). The “Backward Data Assumption” method involves applying the earliest available actual live data point for an index constituent to all prior, historical instances of that constituent in the index universe.

Backward Data Assumption affects only the historical, hypothetical constituents of any index back-test. Only actual live data is ever used in live index rebalancings and in the historical rebalancing calculation of an index after its Live Data Effective Date.

*For more information on S&P DJI’s principles and processes for using Backward Data Assumption, please visit our [FAQ](#).*

## Designated Datasets Subject to Backward Data Assumption

The Backward Data Assumption within the historical back-test, with respect to the indices identified above, applies only to designated datasets and associated time horizons as defined below. For each designated dataset, all historical rebalancing events prior to the Live Data Reference Date listed below are subject to use of the Backward Data Assumption.

Data Provider	Designated Dataset	Live Data Reference Date	Live Data Effective Date	Relevant Indices
Sustainalytics	Business Activity Exclusions; Global Standards Screening	4/30/2020	6/22/2020	S&P/BMV Total Mexico ESG Index
Sustainalytics	Business Activity Exclusions; Global Standards Screening	1/31/2020	3/23/2020	S&P/BMV IPC ESG Tilted Indices

The Live Data Reference Date refers to the first rebalancing reference date from which only actual live data is used.

The Live Data Effective Date refers to the first date from which index constituents are determined solely on actual live data for each respective dataset.

## Exclusions Based on Missing Coverage

This index excludes companies based on missing coverage with respect to the designated datasets above. However, for rebalancing dates prior to each respective Live Data Reference Date, the eligibility of companies is determined based on the coverage after applying the Backward Data Assumption and is not dictated by actual live data coverage.

## Historical Coverage Assessment per Designated Dataset

**Sustainalytics Business Activity Exclusions Coverage/Global Standards Screening Coverage** (with respect to underlying index universe):

### S&P/BMV Total Mexico ESG Index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data Stock Count	Point-in-Time Data Index Weight	After Using the Data Assumption Stock Count	After Using the Data Assumption Index Weight
2014	66	38	92.8%	61	98.9%
2015	69	44	93.8%	63	98.7%
2016	68	50	94.8%	66	99.6%
2017	79	67	99.1%	70	99.4%
2018	69	67	99.4%	68	99.9%
2019	58	58	100%	58	100%
2020	56	55	99.9%	n/a	n/a

### S&P/BMV IPC ESG Tilted Indices

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data Stock Count	Point-in-Time Data Index Weight	After Using the Data Assumption Stock Count	After Using the Data Assumption Index Weight
3/24/2014	35	32	98.5%	35	100%
9/22/2014	35	35	100%	35	100%
3/23/2015	35	35	100%	35	100%
9/21/2015	35	34	99.8%	35	100%
3/22/2016	37	36	99.7%	37	100%
9/19/2016	35	35	100%	35	100%
3/21/2017	35	35	100%	35	100%
9/18/2017	35	35	100%	35	100%
3/20/2018	35	35	100%	35	100%
9/24/2018	35	34	99.5%	35	100%
3/19/2019	35	35	100%	35	100%
9/23/2019	35	35	100%	35	100%
3/23/2020	35	35	100%	n/a	n/a

Coverage for each Sustainalytics Category of Involvement may differ due to the initiation of coverage for each sub-dataset. Actual live data coverage for each sub-dataset is therefore zero before its respective Coverage Initiation Date provided below:

Sustainalytics Category of Involvement	Coverage Initiation Date
Controversial Weapons: Tailor-made and Essential	12/31/2012
Controversial Weapons: Significant ownership (Tailor-made and Essential)	12/31/2018
Tobacco: Production	12/31/2012
Tobacco: Related Products/Services	12/31/2012
Tobacco: Retail	12/31/2012
Tobacco: Significant ownership (production)	12/31/2018
Tobacco: Significant ownership (related products/services)	12/31/2018
Tobacco: Significant ownership (retail)	12/31/2018

**Sustainalytics Global Standards Screening ('Non-Compliant' Companies) Coverage** (with respect to underlying index universe):

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data Stock Count	Point-in-Time Data Index Weight	After Using the Data Assumption Stock Count	After Using the Data Assumption Index Weight
2014	66	38	92.8%	61	98.9%
2015	69	44	93.8%	63	98.7%
2016	68	50	94.8%	66	99.6%
2017	79	67	99.1%	70	99.4%
2018	69	67	99.4%	68	99.9%
2019	58	58	100%	58	100%
2020	56	55	99.9%	n/a	n/a

# Disclaimer

## Performance Disclosure/Back-Tested Data

Where applicable, S&P Dow Jones Indices and its index-related affiliates (“S&P DJI”) defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index’s Launch Date are considered back-tested. S&P DJI defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company’s public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed “Date of introduction”) is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index’s public release date.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Information presented prior to an index’s launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate certain ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using “Backward Data Assumption” (or pulling back) of ESG data for the calculation of back-tested historical performance. “Backward Data Assumption” is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as “product involvement”) were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on “Backward Data Assumption” please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific



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