

The Santiago Exchange Indices Maintenance Consultation Results

SANTIAGO, MAY 7, 2018: In August 2016, the Santiago Exchange (the “Exchange”) and S&P Dow Jones Indices (“S&P DJI”) signed an Index Operation and License Agreement. The Exchange’s partnership with S&P DJI, the world’s leading provider of index-based concepts, data and research, includes the adoption of international index methodology standards and the integration of operational processes and business strategies and enhances the visibility, governance, and transparency of the existing indices. The agreement also enables the development, licensing, distribution and management of current and future indices which will be designed to serve as innovative and practical tools for local and global investors. The new and existing Santiago Exchange indices will be co-branded under the “S&P/CLX” name (the “Indices”) that can be used to underlie liquid financial products, expanding the breadth and depth of the Chilean capital market.

As part of this transition, S&P DJI and the Exchange have conducted a consultation with members of the investment community on potential changes to the Santiago Exchange indices so that they conform to S&P DJI’s standard policies and practices. The methodology changes, applicable to all Santiago Exchange indices except where noted below, are summarized as follows:

Rebalancing Announcement Schedule	
Previous	Rebalancing announcements are sent one month prior to the rebalancing effective date.
Updated	Rebalancing announcements are sent one week prior to the rebalancing effective date. Constituent pro-forma files are provided each time the indices rebalance. The pro-forma file is provided daily in advance of the rebalancing date and contains all constituents and their corresponding weights and index shares effective for the upcoming rebalancing. Index shares ¹ are calculated using closing prices seven business days prior to the rebalancing date.

Rebalancing Effective Dates	
Previous	Annual rebalancings take effect at the close of business on the first Friday of February. Quarterly rebalancings take effect at the open on the Monday following the third Friday of March, June, September and December.
Updated	Annual rebalancings take effect at the open on the Monday following the third Friday of March. The rebalancing reference date is the third Friday of February. Quarterly rebalancings, to update shares, float and weights, take effect at the open on the Monday following the third Friday of June, September and December.

¹ The number of index shares is derived from the calculation of the market capitalization adjusted by float, which is the quotient of the shares in circulation, the float factor, any applicable additional weight factor, and the closing price.

Treatment of Spin-offs	
Previous	Spun-off entities are added with an estimated price and immediately reviewed by the committee for continued eligibility.
Updated	Spun-off entities are 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. Spin-offs are then re-evaluated for continued index eligibility at the next rebalancing. For more information please refer to S&P DJI's Equity Indices Policies & Practices Methodology available here .

Treatment of Suspended Stocks	
Previous	Suspended stocks are removed after 60 days of consecutive suspension.
Updated	The suspension review evaluation date to determine a potential index deletion is the last business day of February, May, August and November. Stocks that reach a suspension period of 60 days or more, as of the evaluation date, are subject to index deletion at the quarterly review effective at the open on the Monday following the third Friday in March, June, September and December. Suspended stocks use the last available official closing price prior to the suspension for index calculation during the suspension period. Suspended stocks are removed from the indices at a zero price. For more information please refer to the S&P DJI's Equity Indices Policies & Practices Methodology located here .

Foreign Exchange Rate used for Dividend Conversions	
Previous	The Chilean Central Bank's "Dolar Observado" Rate is used for dividend conversions in the event that a constituent pays a dividend in an alternate currency or the issuer does not provide a conversion rate.
Updated	Foreign exchange rates used for conversions of dividend payments in an alternate currency are sourced from S&P DJI's standard FX rate provider. The rates used are same day WM/Reuters foreign exchange rates taken daily at 4:00 PM London Time.

Certain Eligibility Criteria	
Previous	<p>Companies with the following characteristics are ineligible for index inclusion:</p> <ul style="list-style-type: none"> • Court Recovery defined as when a company files a recovery plan agreed upon together with its creditors with involvement from an arbitrator. • Negative Equity defined as companies with equity of less than zero at portfolio rebalancing based on the most recently filed financial statements. • Companies for which the primary objective for purchasing their stock is not to use their facilities (e.g. social clubs, sports clubs or schools, among others) that are exempt from the reporting requirements set forth in the third article of Law 18,045.
Updated	With the exception of companies with court recovery characteristics, the eligibility criteria described above have been eliminated and the indices instead follow S&P DJI's standard policies and practices as detailed in S&P DJI's Equity Indices Policies & Practices Methodology available here . Companies with court recovery characteristics will continue to be reviewed and any changes will be announced at a later date.

Eligibility of Stocks Ineligible for Pension Plans	
Previous	Stocks that are not eligible as investment instruments for Chilean pension funds (“Administradora de Fondos de Pensiones” or “AFPs”) are ineligible for index inclusion.
Updated	This rule has been eliminated and replaced with a new rule (see Eligibility of AFPs and Companies Holding > 50% of a Public Pension Fund’s Shares below).

Eligibility of AFPs and Companies Holding > 50% of a Public Pension Fund’s Shares	
Previous	--
Updated	In conjunction with the elimination of the rule regarding stock ineligibility for pension plans above, a new rule has been established whereby AFPs and companies holding more than 50% of the shares of a public pension fund (considered major shareholders) are ineligible for index inclusion.

Total Return (“TR”) Calculations	
Previous	The total return indices employ the TR calculation methodology as detailed in <i>section 3.5 Calculation of Total Return</i> of Santiago Exchange Market Indices & DJSI Chile Selection and Calculation Methodology available here .
Updated	The total return indices conform to S&P DJI’s standard methodology used for all global total return indices. For more information on the TR calculation methodology, please refer to the <i>Total Return Calculations</i> section of S&P DJI’s Index Mathematics Methodology available here .

Real-Time Frequency	
Previous	Real-time values are calculated and published every five seconds including pre-market values.
Updated	Real-time values are calculated and published every 15 seconds. There are no pre-market publications.

Corporate Actions	
Previous	The indices employ the corporate actions methodology detailed in <i>section 4 Corporate Actions: Criteria and Methodology</i> of Santiago Exchange Market Indices & DJSI Chile Selection and Calculation Methodology available here .
Updated	The indices follow S&P DJI’s standard corporate actions policies and practices as detailed in S&P DJI’s Equity Indices Policies & Practices Methodology available here .

Shares and Float	
Previous	The indices employ the shares and free-float methodology detailed in <i>section 4.1 Updating Number of Outstanding Shares and Free-Float</i> of Santiago Exchange Market Indices & DJSI Chile Selection and Calculation Methodology available here .
Updated	The indices will use the Santiago Exchange Shares and Investable Weight Factors (IWFs) until the September 2018 rebalancing, at which point the indices will use S&P DJI Shares and IWFs. ² Shares and IWFs effective with the September rebalancing will be announced on Friday, September 7, 2018. S&P DJI and the Exchange are aware of differences in IWFs and Shares and are working together to analyze and align data prior to this announcement.

These methodology changes take effect on the “Transition Date” except where noted. Additional information regarding the “Transition Date” will be made available in the near future.

² S&P DJI’s standard share and IWF policies and practices are detailed in section *Share and Investable Weight Factor (IWF) Updates* within S&P DJI’s Equity Indices Policies & Practices Methodology available [here](#). Additional details regarding S&P DJI’s float adjustment and IWF can be found in the S&P DJI’s Float Adjustment Methodology available [here](#).

INDEX ANNOUNCEMENT

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has become home to over 1,000,000 indices across the spectrum of asset classes that have helped define the way investors measure and trade the markets.

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

ABOUT THE SANTIAGO EXCHANGE

The Santiago Exchange manages a multi-asset class exchange, and currently trades over USD 1.5 billion a day in equities, fixed income securities, exchange-traded financial derivatives, money market instruments, investment funds and foreign securities. During the last decade, the Santiago Exchange has expanded and evolved into a player of interest for global investors and a strategic partner for regional exchanges. It has led the offering of new instruments, such as ETFs and derivatives, and the development of best practices in the market, such as the release of recommendations of extended transparency for listed companies. For more information, visit www.bolsadesantiago.com.

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