

November 2023
FAQs

SPDR® S&P Kensho ETFs Index Methodology Updates

Overview

Effective prior to the market open on December 18, 2023, in conjunction with the upcoming rebalancing, the SPDR® S&P Kensho New Economies Composite ETF (KOMP)'s benchmark – the S&P Kensho New Economies Composite Index – will be subject to an **additional liquidity screen**: stocks that meet all eligibility criteria of the underlying subsector indices must also have a minimum 3-month average daily value traded (ADVT) of US\$ 5 million in order to be eligible for the index.

Additionally, the S&P Kensho New Economies Indices will implement changes related to minimum share prices, the regulatory filing database scanned by the proprietary natural language processing and criteria to determine core or non-core index constituents. These changes will take effect in conjunction with the upcoming semiannual rebalancing period.

Table 1: Previous and Updated Methodology

Impacted Indices	Change	Previous Methodology	Updated Methodology
S&P Kensho New Economies Composite Index	Additional Liquidity Screen	—	Add: Stocks that meet all the eligibility criteria of the underlying subsector indices must also have a minimum 3M ADVT of US\$ 5 million in order to be eligible for the S&P Kensho New Economies Composite Index.
S&P Kensho New Economies Indices	Min. Share Price	—	Share Price: Must have a share price of at least US \$1.00 or the equivalent.
	Regulatory Filing Database	In order to identify eligible companies at each reconstitution, S&P DJI conducts an automated scan of the EDGAR database of annual company issued filings, specifically: 10-Ks; 20-Fs; 40-Fs; and S-1 filings.	In order to identify eligible companies at each reconstitution, S&P DJI conducts an automated scan of global annual filings and reports for companies maintained in the S&P Market Intelligence United Document Repository ("MI UDR") , as well as the S&P Capital IQ database, for annual fiscal year revenue segment reporting . If the company has a U.S. listing, the automated scan searches annual SEC filings in the following order of hierarchy: 10-Ks; 20-Fs; 40-Fs; and S-1 filings. If the company does not have a U.S. listing, the scan searches the entire annual report filings database and identifies companies whose business descriptions contain the target search terms and produce related products and services in line with the index objectives. Where there are multiple annual reports on file for a company, the system selects the filing with the most recent filing date.
	Core/Non-Core Constituents	Sector and Subsector Indices. Core companies are those for which products and services related to the index objectives and target markets of a specific index are an important component of their business strategy; core companies are identified as such based on the prominence (e.g., location, context) of the disclosures in the company regulatory filings, as well as other publicly available information.	Add: Companies may also be deemed core if the majority of the company's revenue is derived from products and services related to the index objective as indicated by the company's reported business segments, which is derived from scanning the S&P Capital IQ database for annual fiscal year revenue segment reporting.

Source: S&P Dow Jones Indices, as of 10/18/2023

Q&A**Why did S&P Dow Jones make these changes?**

The additional liquidity screen is intended to enhance KOMP's benchmark liquidity and replicability.

The other changes are intended to make the methodology of the Kensho New Economies Indices to be more aligned with the S&P Kensho Global Indices.

How will the change impact SPDR ETF?

The additional liquidity screen will impact KOMP's portfolio and will happen in conjunction with the upcoming semiannual standard portfolio rebalancing on December 18, 2023.

The total number of securities impacted by the liquidity rule change, based on holdings as of November 27, 2023, is 89 and could be subject to removal if their trading volume numbers remain the same.

The other changes will impact the entire SPDR S&P Kensho suite listed below during their semiannual standard portfolio rebalancing on December 18, 2023.

Ticker	Name
KOMP	SPDR S&P Kensho New Economies Composite ETF
FITE	SPDR S&P Kensho Future Security ETF
ROKT	SPDR S&P Kensho Final Frontiers ETF
CNRG	SPDR S&P Kensho Clean Power ETF
HAIL	SPDR S&P Kensho Smart Mobility ETF
SIMS	SPDR S&P Kensho Intelligent Structures ETF

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