

**Global Industry Classification
Standard (GICS[®])
*Methodology***

September 2016

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Introduction

In 1999, S&P Dow Jones Indices and MSCI jointly developed the Global Industry Classification Standard (GICS[®]) to establish a global standard for categorizing companies into sectors and industries. GICS was developed in response to the global financial community's need for one complete, consistent set of global sector and industry definitions, thereby enabling asset owners, asset managers and investment research specialists to make seamless company, sector, and industry comparisons across countries, regions, and globally.

Highlights

GICS has become an industry model widely recognized by market participants worldwide. It sets a foundation for the creation of replicable, custom-tailored portfolios and enables meaningful comparisons of sectors and industries globally.

GICS was developed and is maintained by two leading global index providers. It has been specifically designed to classify companies globally – in both developed and developing economies.

The GICS methodology has been commonly accepted as an industry analysis framework for investment research, portfolio management, and asset allocation. The GICS classification system currently consists of 11 sectors, 24 industry groups, 68 industries and 157 sub-industries. The GICS sectors are:

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

GICS was designed to classify a company according to its principal business activity. To make this determination, S&P Dow Jones Indices and MSCI use revenues as a key measure of a company's business activity. Earnings and market perception, however, are also recognized as important and relevant information for classification purposes and are taken into account during the review process.

GICS Classification Methodology

About GICS

GICS is designed to meet the needs of the investment community for a classification system that reflects a company's primary business model as determined by its financial performance. Many other systems group companies into classifications designed for tracking GDP and the economy rather than company performance. Over 43,000 active, publicly traded companies globally are currently classified and maintained according to the GICS methodology.

GICS Structure

GICS is a four-tiered, hierarchical industry classification system:

- 11 Sectors
- 24 Industry Groups
- 68 Industries
- 157 Sub-Industries

GICS classifications can be presented in text or numeric format. The full GICS classification for each company is an 8-digit code with text description. The hierarchical design of the 8-digit coding system allows for easy transition between GICS tiers.

Examples:

Sector: Consumer Discretionary (GICS code: 25)

Industry Group: Consumer Services (GICS code: 2530)

Industry: Hotels, Restaurants & Leisure (GICS code: 253010)

Sub-industry: Casinos & Gaming (GICS code: 25301010)

Sector: Financials (GICS code: 40)

Industry Group: Diversified Financials (GICS code: 4020)

Industry: Capital Markets (GICS code: 402030)

Sub-industry: Investment Banking & Brokerage (GICS code: 40203020)

For the most recent GICS map and definitions, please visit our Web site at www.spdji.com.

GICS Compliant Indices

S&P Dow Jones Indices has long been a leading provider of indices used by the international financial markets for portfolio analysis and asset management. By developing indices using the GICS structure, S&P Dow Jones Indices presents a powerful family of sector-based indices that offer a global and consistent set of benchmarks.

For more information on GICS-based index products at S&P Dow Jones Indices, please visit our Web site at www.spdji.com.

An index that is GICS-compliant is one that is derived, bottom-up, using GICS as the industry classification methodology -- specifically the unique, company-to-issue level classification as determined by S&P Dow Jones Indices and MSCI.

GICS Assignments

S&P Dow Jones Indices and MSCI jointly assign a company to a single GICS sub-industry according to the definition of its principal business activity as determined by the two companies. Revenues are a significant factor in determining principal business activity; however, earnings and market perception are also important criteria for classification.

If a company's subsidiary files separate financials to its reporting government agency, that subsidiary is considered a separate entity and classified independently under the GICS methodology. Equity securities or issues directly linked to a company have the same classification as the company.

GICS Usage

GICS Usage at S&P Dow Jones Indices

GICS is the official S&P Dow Jones Indices' industry classification system. Most S&P Dow Jones Indices products that include an industry classification system use the GICS structure.

All companies in the S&P Dow Jones Indices' global family of indices have been classified according to the GICS structure. S&P Dow Jones' indices and sub-indices are designed to reflect the sectoral composition of the broad markets they represent. Many of the broad S&P Dow Jones' indices are broken down into sector and/or industry-level indices to provide performance measurements across these markets. The sector weights of an S&P Dow Jones Indices' index provide the financial community with a useful benchmark of sectors representation within that market.

While S&P Dow Jones Indices' equity indices have set the foundation for GICS and GICS usage, many other S&P Global products incorporate GICS into their products. These include, but are not limited to:

- Stock Reports
- Sector Scorecards
- Compustat
- Research Insight
- Analysts' Handbook
- S&P Global Market Intelligence
- CreditPro, Ratings Direct, and RatingsXpress

GICS Usage in the Market

Investors use GICS and all related industry indices and data across the full spectrum of equity market investing – including asset management, sector research, portfolio strategy, peer analysis, and client account reporting. The use of GICS enables market participants to identify and analyze a customized group of companies from a common global standard. The use of this global standard helps strategists, analysts, and investors compare companies outside of their local markets and attract capital into local markets when comparing stocks within the same industry. GICS helps market participants determine whether stock movements are locally based or are part of a broader global trend.

The GICS methodology has been widely accepted as an industry analysis framework for investment research, portfolio management and asset allocation. Its universal approach to industries worldwide has contributed to transparency and efficiency in the investment process, and the GICS methodology supports the trend towards sector-based investing.

GICS defines peer groups tightly and avoids grouping unlike companies together. Four classification levels allow for more customization and targeting in portfolio, index, and derivative product construction.

Investors use GICS and all related S&P Dow Jones Indices' industry indices and data across the full spectrum of equity market management – including asset management, sector research, portfolio strategy, peer analysis, and client account reporting. The use of GICS enables market participants to identify and analyze a customized group of companies from a common global standard.

Market participants currently using the GICS structure include buy-side portfolio managers, institutional and retail brokerage firms, custodians, universities, consultants, and a variety of data distributors.

GICS Maintenance

GICS Review

Companies are reviewed annually at a minimum. Companies are also under constant surveillance for corporate actions.

In general, a GICS code changes whenever there is a major corporate action that redefines a company's primary line of business. At a minimum, annual reviews are conducted to ensure that a company has not redefined its line of business through a series of smaller events.

GICS reviews also occur upon client request.

GICS Structure Review

S&P Dow Jones Indices and MSCI review the GICS structure on an annual basis. This is typically done through an open consultation. The objective is to ensure that the GICS structure continues to accurately represent the global equity markets, and thereby, enables asset owners, asset managers and investment research specialists to make seamless global comparisons by industry.

Changes to the GICS Structure

The four-level GICS structure accurately reflects equities in today's global investment environment, yet is flexible enough to capture tomorrow's developments. The eight-digit GICS coding system is designed to adapt easily to the changing investment world. As the global economy changes, sectors, industry group, industries and sub-industries can be added or divided.

Chronology of Events

Date	GICS Event
August 1999	GICS introduced. GICS comprised of 10 sectors, 23 industry groups, 59 industries and 123 sub-industries.
March 2002	The total number of sub-industries in the GICS structure reduced to 122 from 123. Name and description changes to other GICS categories. GICS comprised of 10 sectors, 23 industry groups, 59 industries and 122 sub-industries.
April 2003	Changes included the creation of new industry groups, industries and sub-industries, the merger of some existing sub-industries and significant name and definition changes to others. GICS comprised of 10 sectors, 24 industry groups, 62 industries and 132 sub-industries.
April 2004	Changes limited to definition changes for some of the GICS sub-industries. GICS comprised of 10 sectors, 24 industry groups, 62 industries and 132 sub-industries.
April 2005	Changes included renaming and redefining one industry group, creating two industries and seven sub-industries, and making significant name and definition changes to others. GICS comprised of 10 sectors, 24 industry groups, 64 industries and 139 sub-industries.
April 2006	Changes included renaming one industry group, creating four new industries and ten new sub-industries. Changes also included discontinuing one industry and two sub-industries, and making name and definition changes to others. GICS comprised of 10 sectors, 24 industry groups, 67 industries and 147 sub-industries.
August 2008	Changes included renaming one industry group, creating one new industry and eight new sub-industries. Changes also included discontinuing one sub-industry, and making name and definition changes to others. GICS comprised of 10 sectors, 24 industry groups, 68 industries and 154 sub-industries.
June 2010	Changes were made to definitions only. GICS comprised of 10 sectors, 24 industry groups, 68 industries and 154 sub-industries.
February 2014	Changes included renaming four industries and discontinuing one, adding six new sub-industries and discontinuing 4, and making name and definition changes to others. GICS comprised of 10 sectors, 24 industry groups, 67 industries, and 156 sub-industries.
September 2016	Changes included the creation of a Real Estate sector, as well as adding one industry group, three industries, and 15 sub-industries. One industry group was discontinued, along with two industries and 14 sub-industries. One industry and one sub-industry were renamed, and there were two definition changes. GICS comprised of 11 sectors, 24 industry groups, 68 industries, and 157 sub-industries.

Detailed information on the changes to the GICS structures can be found on S&P Dow Jones Indices' Web site at www.spdji.com.

GICS Data Products

GICS Direct

GICS DirectSM, a joint product of S&P Global Market Intelligence and MSCI, was introduced in 2001. GICS Direct provides industry classifications for approximately 43,000 active companies and 51,000 active securities.

GICS History

S&P Global Market Intelligence GICS History is a valuable tool for statistical analysis, back-testing and historic sector performance attribution. GICS History provides historical classifications on over 25,000 active and inactive U.S. companies, Canadian companies, and ADRs.

For more information on GICS Direct and GICS History, please visit S&P Global Market Intelligence's Web site at www.spcapitaliq.com.

GICS Governance

GICS Methodology Committee

The GICS methodology and structure fall under the overall supervision of the GICS Operations Committee, with members from both S&P Dow Jones Indices and MSCI. The Committee will from time to time consult the financial markets in order to keep the methodology current and relevant.

S&P Dow Jones Indices and MSCI consider information about changes to the GICS structure and related matters to be potentially market moving and material. Therefore, all Committee discussions are confidential.

Index Policy Related to GICS

Announcements

Announcements of GICS changes to companies in S&P Dow Jones' indices follow the guidelines of the index methodologies.

Please refer to the individual index methodologies for treatment of GICS classification changes.

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