

**S&P Dow Jones
Indices**

A Division of **S&P Global**

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

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Introduction

The Global Industry Classification Standard (GICS®) is specifically designed to consistently classify companies globally, in both developed and developing economies.

In 1999, S&P Dow Jones Indices and MSCI, two leading global index providers, jointly developed 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 that enable comparisons by company, sector, and industry across countries, regions, and globally.

The GICS classification system consists of 11 sectors, 24 industry groups, 69 industries, and 158 sub-industries. The current GICS sectors are:

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

GICS Methodology

GICS Classification

GICS classifies a company according to its principal business activity. To make this determination, S&P Dow Jones Indices and MSCI use revenue as the key measure identifying a company's principal business activity. However, earnings and market perception are also recognized as important and relevant for classification purposes, and are taken into account during the review process.

A company is classified into the sub-industry whose definition most closely describes the business activities that generate the majority of the company's revenues. However, a company engaged in two or more substantially different business activities, none of which contributes 60% or more of revenues, is classified into the sub-industry that provides the majority of both the company's revenues and earnings. When no sub-industry provides the majority of both the company's revenues and earnings, the classification either into the Industrial Conglomerates sub-industry (Industrials Sector) or the Multi-Sector Holdings sub-industry (Financials Sector).

In the case of a new company, the initial classification is based primarily on the description of the company's activities and pro-forma results as given in the prospectus.

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 directly linked to a company have the same classification as the company.

GICS classifications are not assigned to mutual funds, closed-end funds, bonds, or Exchange Traded Funds.

GICS Structure

GICS assigns each company to a sub-industry, and to a corresponding industry, industry group, and sector, according to the definition of its principal business activity. Since the classification is strictly hierarchical, at each of the four levels a company can only belong to one grouping.

- 11 Sectors
- 24 Industry Groups
- 69 Industries
- 158 Sub-Industries

GICS classifications can be presented in either text or numeric formats. The complete 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 Maintenance

GICS Review

Companies' GICS classifications are reviewed at least annually, and are also under constant surveillance for corporate actions potentially impacting classification.

In general, a company's GICS classification changes whenever there is a major corporate action that redefines a company's primary business activity. At a minimum, annual reviews are conducted to ensure that a company has not redefined its primary business activity through a series of smaller events. To provide a stable industry classification, changes to a company's classification are minimized by disregarding temporary fluctuations in the results of a company's different business activities.

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, which can include an open consultation with market participants. The objective is to ensure that the GICS structure continues to accurately represent global equity markets, enabling seamless global comparisons by industry.

Changes to the GICS Structure

The four-tier 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.

Date	GICS Event
September 2018	Changes included the renaming of the Telecommunication Services Sector to Communication Services, removing the Media Industry Group from Consumer Discretionary and adding the Media Industry Group to the Communication Services Sector under the name Media & Entertainment. Under the Media & Entertainment Industry Group three Industries were created, with seven Sub-Industries. Two Sub-Industries from Information Technology were discontinued and one was created. Several definitions were updated. GICS comprised of 11 sectors, 24 industry groups, 69 industries, and 158 sub-industries.

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

GICS Governance

GICS Methodology Committee

The GICS methodology and structure fall under the overall supervision of the GICS Operations Committee, with committee members from both S&P Dow Jones Indices and MSCI. The Committee will consult with the financial markets community as needed 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.

For more information on GICS, please contact index_services@spglobal.com.

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