

Zug, October 31st, 2025

Market consultation on proposed changes to the methodology of the STOXX Select Dividend, ESG-X Select Dividend Index Families and derived indices

Dear Sir and Madam,

STOXX Ltd., the operator of ISS STOXX index business and a global provider of innovative and tradable index concepts, has decided to conduct a market consultation on proposed changes to the methodology of the STOXX Select Dividend and ESG-X Select Dividend Index Families and derived indices.

The market consultation may or may not lead to changes in the index methodology.

Process and timeline

STOXX invites relevant stakeholders and interested third parties to submit responses [via this online survey](#) or to stox-consultation@iss-stoxx.com.

The consultation is open to all market participants until November 28th, 2025.

STOXX intends to announce the results of the market consultation, as well as an announcement about potential changes to the index methodology, by December 5th, 2025, after 22:00 CET.

STOXX intends to implement the potential changes resulting from this market consultation at the index review in March 2027 or March 2028.

Motivation for the market consultation

The primary motivation behind these proposed changes is to ensure the continued appeal of the indices, particularly in terms of their dividend characteristics and overall market representation. While various options were considered, including adjustments to existing rules and introduction of new screens, these alternatives did not yield a meaningful improvement in dividend yields or would have elevated index turnover levels.

One of the key proposed changes is the increase of the payout ratio threshold to 70% for non-components, which is expected to enhance dividend yield without substantially increasing index turnover consistently. Importantly, non-components must still pass all other screens to be considered for index eligibility.

Additionally, STOXX proposes the introduction of an Average Daily Trading Volume (ADTV) filter for existing components, to be applied during the annual review. This measure is designed to ensure the tradability of securities within the index, supporting necessary liquidity for investment products.

The implementation timeline allows sufficient lead time for all index users to prepare and adapt accordingly.

Due to the diverse use of the STOXX Select Dividend index Family, e.g. exchange-traded derivatives, public investment funds, structured products, and benchmarking, STOXX carefully considered the proposed changes, ensuring the continued attractiveness of the indices for all market participants.

All other existing rules of this index family remain unchanged unless explicitly mentioned in this consultation.

STOXX kindly seeks the feedback of market participants on the proposed changes and implementation timing.

Proposed Treatments/Amendments

STOXX proposes the following changes:

#	Changes	Current methodology	Proposed new methodology
a	Payout Ratio: Applies to Eurozone, Europe and North America (+ESG-X)	Payout ratio of less than or equal to 60% (applies quarterly for non-components only). Alternative thresholds may apply for specified regions when mentioned in the following section.	Payout ratio of less than or equal to 70% (applies quarterly for non-components only). Alternative thresholds may apply for specified regions when mentioned in the following section.
b	ADTV: Applies to EURO STOXX Select Dividend 30 (+ ESG-X)	N/A	For components and at annual review only: Average daily turnover value (ADTV) over the last three months of at least 5 million EUR . This is 50% of the ADTV which applies to non-components.
c	ADTV: Applies to STOXX Asia/Pacific, Europe, North America (+ ESG-X)	N/A	For components and at annual review only: Average daily turnover value (ADTV) over the last three months of at least 2.5 million EUR . This is 50% of the ADTV which applies to non-components.

Table 1: Proposed changes to the STOXX Select Dividend and ESG-X Select Dividend Index Families

Please see the supplemental file for a snapshot of the March 2025 index composition, if above changes would have been implemented.

Affected indices

EURO STOXX Select Dividend 30
 STOXX Asia/Pacific Select Dividend 30
 STOXX Europe Select Dividend 30
 STOXX North America Select Dividend 40
 STOXX Global Select Dividend 100
 EURO STOXX ESG-X Select Dividend 30
 STOXX Asia/Pacific ESG-X Select Dividend 30
 STOXX Europe ESG-X Select Dividend 30
 STOXX North America ESG-X Select Dividend 40
 STOXX Global ESG-X Select Dividend 100
 iSTOXX Global Select Dividend ESG Filtered 100

Questions

1. Are you in favour of changing the Payout Ratio threshold from less than or equal to 60% **to less than or equal to 70%** for EURO STOXX Select Dividend 30, STOXX Europe Select Dividend 30 and STOXX North America Select Dividend 40, including their ESG-X Versions, and iSTOXX Europe Select Dividend ESG Filtered 30 and iSTOXX North America Select Dividend ESG Filtered 40, see table 1 (a)?
2. Are you in favour of introducing a minimum **ADTV filter for current components of EUR 5m** for EURO STOXX Select Dividend 30 and its ESG-X Version, see table 1 (b)?
3. Are you in favour of introducing a minimum **ADTV filter for current components of EUR 2.5m** for STOXX Asia/Pacific Select Dividend 30 (+ ESG-X version), STOXX Europe (ESG-X) Select Dividend 30, STOXX North America (ESG-X) Select Dividend 40, including their ESG-X Versions, and iSTOXX Asia/Pacific Select Dividend ESG Filtered, iSTOXX Europe Select Dividend ESG Filtered 30 and iSTOXX North America Select Dividend ESG Filtered 40, see table 1 (c)?
4. When should the proposed changes be effective:
 - i. At the annual index review March 2027
 - ii. At the annual index review March 2028
 - iii. At the annual index review March 2027 or March 2028

If your answer to any of the above questions is NO, please kindly explain your rationale.