

WHY IS CRSP MAKING THIS CHANGE?

CRSP recognizes that active managers usually don't change portfolio positions over a single day. Rather, it is common for active managers to gradually adjust their holdings to mediate market impact by lowering the daily trading volume. As an evolution to its index methodology, CRSP will extend reconstitution from a one-day to a five-day transition period.

WHAT IS TRANSITIONAL RECONSTITUTION?

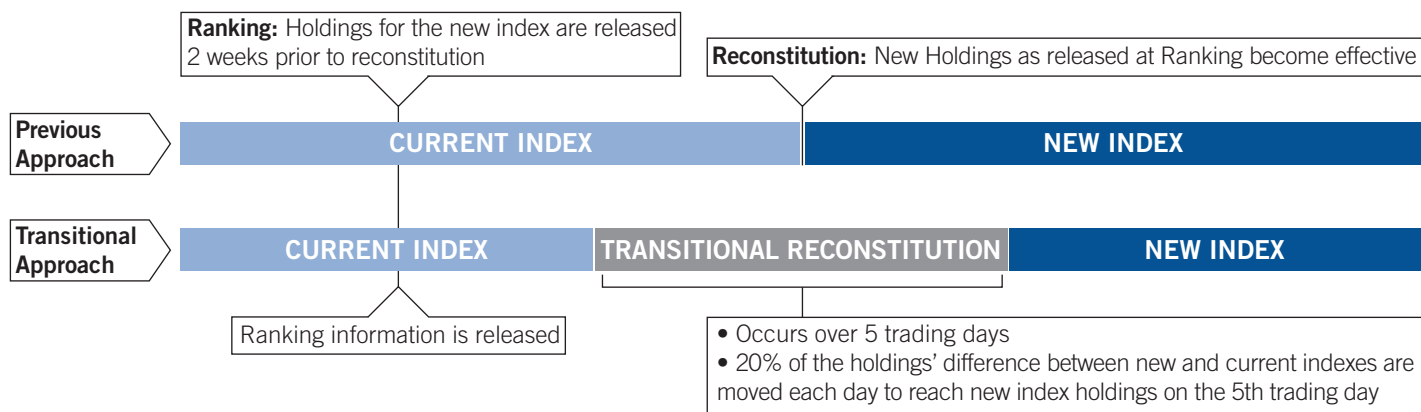
Transitional reconstitution moves 20% of the holdings difference between new and current indexes each day. Thus, the daily trading volume is reduced during the transition period. The illustration below reflects the change from CRSP's previous reconstitution methodology to transitional reconstitution.

Please refer to the [CRSP U.S. Equity Indexes Methodology Guide](#) posted on CRSP's website for detailed information regarding transitional reconstitution and the processing of corporate actions during the transition period.

WHEN IS TRANSITIONAL RECONSTITUTION EFFECTIVE?

Transitional reconstitution will be implemented during the September 2017 reconstitution. Ranking day will be September 1, 2017. Transitional reconstitution will occur from September 13, 2017 through September 19, 2017.

PREVIOUS VS. TRANSITIONAL APPROACH:



TRANSITIONAL RECONSTITUTION CALENDAR – SEPTEMBER 2017

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
				SEPTEMBER 1
				TD-8 “Ranking Day” after the close
SEPTEMBER 4	SEPTEMBER 5	SEPTEMBER 6	SEPTEMBER 7	SEPTEMBER 8
Labor Day	TD-6 <u>Pro Forma Day 1</u>	TD-5 <u>Pro Forma Day 2</u>	TD-4 <u>Pro Forma Day 3</u>	TD-3 <u>Pro Forma Day 4</u>
SEPTEMBER 11	SEPTEMBER 12	SEPTEMBER 13	SEPTEMBER 14	SEPTEMBER 15
TD-2 Pro Forma Day 5	TD-1 Pro Forma Day 6	TD1 Transition Day 1	TD2 Transition Day 2	TD3 Transition Day 3
SEPTEMBER 18	SEPTEMBER 19	SEPTEMBER 20	SEPTEMBER 21	SEPTEMBER 22
TD4 Transition Day 4	TD5 Transition Day 5 “Final Transition Day” after the close	TD+1	TD+2	TD+3

KEY

Days are labeled on an After Close basis

TD' ±x': Denotes trading day relative to Transition Window.

TD5: Last trading day of the Transition Window, known as “Transition Day 5” and also “Final Transition Day.”

Pro Forma Adjustment Period

Pro Forma Period

Pro Forma and Transition Period