



FTSE 100 Semi Annual Equally Weighted Index

v1.7



Contents

1.0	Introduction.....	3
2.0	Management Responsibilities.....	5
3.0	FTSE Russell Index Policies	7
4.0	Eligible Securities	9
5.0	Periodic Review of Constituent Companies.....	10
6.0	Changes to Constituent Companies	11
7.0	Corporate Actions and Events.....	12
8.0	Index Calculation	14
	Appendix A: Index Opening and Closing Hours	16
	Appendix B: Status of Index.....	17
	Appendix C: Further Information	18



Section 1

Introduction

1.0 Introduction

- 1.1 This document sets out the Ground Rules for the construction and management of the FTSE 100 Semi Annual Equally Weighted Index calculated by FTSE International Limited (FTSE). Copies of these Ground Rules are available from FTSE Russell (see Appendix B).
- 1.2 The FTSE 100 Semi Annual Equally Weighted Index is designed to represent the performance of large UK listed companies that are constituents of the FTSE 100 Index at the June and December FTSE 100 index reviews.
- 1.3 The constituents of the FTSE 100 Semi Annual Equally Weighted Index will diverge from the constituents of the FTSE 100 Index as a consequence of differences in review cycles.
- 1.4 These Ground Rules should be read in conjunction with the FTSE UK Index Series Ground Rules which are available at www.ftserussell.com.
- 1.5 Price and Total Return indexes will be calculated in UK Sterling on a real-time basis. The Total Return indexes are based on ex dividend adjustments.
- 1.6 **FTSE Russell**
FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and MTSNext Limited), Mergent, Inc., FTSE Fixed Income LLC and The Yield Book Inc.
- 1.7 FTSE Russell hereby notifies users of the index that it is possible that circumstances, including external events beyond the control of FTSE Russell, may necessitate changes to, or the cessation of, the index and therefore, any financial contracts or other financial instruments that reference the index or investment funds which use the index to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index.
- 1.8 Index users who choose to follow this index series or to buy products that claim to follow this index series should assess the merits of the index's rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell for any losses, damages, claims and expenses suffered by any person as a result of:

- any reliance on these Ground Rules, and/or
- any errors or inaccuracies in these Ground Rules, and/or
- any non-application or misapplication of the policies or procedures described in these Ground Rules, and/or
- any errors or inaccuracies in the compilation of the index or any constituent data.



Section 2

Management Responsibilities

2.0 Management Responsibilities

2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index.¹

2.1.2 FTSE is responsible for the daily calculation, production and operation of the FTSE 100 Semi Annual Equally Weighted Index and will:

- maintain records of the index weightings of all constituents;
- make changes to the constituents and their weightings in accordance with the Ground Rules;
- carry out the periodic index reviews of the index and apply the changes resulting from the reviews as required by the Ground Rules;
- publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews;
- disseminate the indexes.

2.1.3 FTSE is also responsible for monitoring the performance of the FTSE 100 Semi Annual Equally Weighted Index throughout the day and will determine whether the status of the index should be Firm, Indicative or Held (see Appendix B).

2.2 Amendments to these Ground Rules

2.2.1 These Ground Rules shall be subject to regular review by FTSE Russell to ensure that they continue to meet the current and future requirements of investors and other index users. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Product Governance Board before approval is granted.

¹ The term administrator is used in this document in the same sense as it is defined in [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation).

2.2.2 As provided for in the Statement of Principles for FTSE Russell Equity Indexes where FTSE Russell determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the Statement of Principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules, or to set a precedent for future action, but FTSE Russell will consider whether the Ground Rules should subsequently be updated to provide greater clarity.



Section 3

FTSE Russell Index Policies

3.0 FTSE Russell Index Policies

These Ground Rules should be read in conjunction with the following policy documents which can be accessed using the links below:

3.1 Corporate Actions and Events Guide

- 3.2 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide for Non Market Capitalisation Weighted Indexes using the following link:

[Corporate Actions and Events Guide for Non Market Cap Weighted Indices.pdf](#)

3.3 Statement of Principles for FTSE Russell Equity Indexes (the Statement of Principles)

Indexes need to keep abreast of changing markets and the Ground Rules cannot anticipate every eventuality. Where the Rules do not fully cover a specific event or development, FTSE Russell will determine the appropriate treatment by reference to the Statement of Principles which summarises the ethos underlying FTSE Russell's approach to index construction. The Statement of Principles is reviewed annually and any changes proposed by FTSE Russell are presented to the FTSE Russell Policy Advisory Board for discussion before approval by the FTSE Russell Product Governance Board.

The Statement of Principles can be accessed using the following link:

[Statement of Principles.pdf](#)

3.4 Queries and Complaints

FTSE Russell's complaints procedure can be accessed using the following link:

[Benchmark Determination Complaints Handling Policy.pdf](#)

3.5 Index Policy for Trading Halts and Market Closures

- 3.5.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:

[Index Policy for Trading Halts and Market Closures.pdf](#)

3.6 **Index Policy in the Event Clients are Unable to Trade a Market**

3.6.1 Details of FTSE Russell's treatment can be accessed using the following link:

[Index Policy in the Event Clients are Unable to Trade a Market.pdf](#)

3.7 **Recalculation Policy and Guidelines**

3.7.1 The FTSE 100 Semi Annual Equally Weighted Index is recalculated whenever errors or distortions occur that are deemed to be significant. Users of the FTSE 100 Semi Annual Equally Weighted Index are notified through appropriate media.

For further information refer to the FTSE Russell Recalculation Policy and Guidelines document which is available from the FTSE Russell website using the link below or by contacting info@ftserussell.com.

[Recalculation Policy and Guidelines Equity Indexes.pdf](#)

3.8 **Policy for Benchmark Methodology Changes**

3.8.1 Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy for Benchmark Methodology Changes.pdf](#)



Section 4

Eligible Securities

4.0 Eligible Securities

- 4.1 The FTSE 100 Semi Annual Equally Weighted Index will consist of the constituents of the FTSE 100 Index as at the June and December index review effective dates.
- 4.2 **Reserve List:**
 - 4.2.1 The FTSE 100 Semi Annual Equally Weighted Index will use the reserve list created for the FTSE 100 Index in June and December. The Reserve List will be used in the event that one or more constituents are deleted from the FTSE 100 Semi Annual Equally Weighted Index during the period between semi-annual index reviews.
 - 4.2.2 Companies drawn from the Reserve List will be determined by re-ranking the Reserve List by full market capitalisation using prices two days prior to the deletion of a constituent.
 - 4.2.3 Intra-review, the constituents of the FTSE 100 Semi Annually Equal Weighted Index will therefore deviate from FTSE 100 Index.
- 4.3 All aspects of the management of index calculation, constituent review and company classification for constituents of the FTSE 100 Semi Annual Equally Weighted Index are as described in the FTSE UK Index Series Ground Rules.



Section 5

Periodic Review of Constituent Companies

5.0 Periodic Review of Constituent Companies

5.1 Review Dates

5.1.1 The semi-annual review will be effective after the close of trading on the third Friday of June and December.

5.2 Index Weighting

5.2.1 The FTSE 100 Semi Annual Equally Weighted Index will be equally weighted at each semi-annual review with each company comprising 1% of the index at that time. The weight of companies represented by multiple security lines will be distributed across each line in proportion to investable market capitalisation.

5.2.2 The calculation of the constituent weighting factors will use prices at the market close on the Wednesday before the first Friday of June and December.



Section 6

Changes to Constituent Companies

6.0 Changes to Constituent Companies

6.1 Intra-review Additions

6.1.1 Intra-review additions to the FTSE 100 Semi Annual Equally Weighted Index will be drawn from the Reserve List. A replacement stock drawn from the Reserve List will be added to the index at the same weight as the company it replaces.

6.1.2 If more than one constituent is added to the index at the same time, each will be added to the index at the average weight of the stocks that are being removed.

6.2 Intra-review Deletions

6.2.1 A constituent will be removed from the FTSE 100 Semi Annual Equally Weighted Index if it is also removed from the FTSE 100 Index outside of the March and September index review. Deletions to the FTSE 100 Index occurring at the March and September index review will not be reflected in the FTSE 100 Semi Annual Equally Weighted Index.

Section 7

Corporate Actions and Events

7.0 Corporate Actions and Events

- 7.1 If a constituent of the FTSE 100 Semi Annual Equally Weighted Index has a stock split, stock consolidation, rights issue, bonus issue, a change in the number of shares in issue or a change in free-float, the constituent's weighting in the FTSE 100 Semi Annual Equally Weighted Index remains unchanged pre and post such an event.
- 7.2 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide for Non Market Capitalisation Weighted Indices using the following link:

[Corporate Actions and Events Guide for Non Market Cap Weighted Indices.pdf](#)

A Corporate 'Action' is an action on shareholders with a prescribed ex date. The share price will be subject to an adjustment on the ex date. These include the following:

- Capital Repayments
- Rights Issues/Entitlement Offers
- Stock Conversion
- Splits (sub-division) / Reverse splits (consolidation)
- Scrip issues (Capitalisation or Bonus Issue)

A Corporate 'Event' is a reaction to company news (event) that may impact the index depending on the index rules. For example, a company announces a strategic shareholder is offering to sell their shares (secondary share offer) – this could result in a free float weighting change in the index. Where an index adjustment is required FTSE Russell will provide notice advising of the timing of the change.

7.3 Takeovers, Mergers and Demergers

The treatment of takeovers, mergers and demergers can be found within the Corporate Actions and Events Guide for Non Market Capitalisation Weighted indexes.

- 7.4 If a constituent of the FTSE 100 Semi Annual Equally Weighted Index is acquired by an ineligible* non constituent, the acquired entity will be removed from the FTSE 100 Semi Annual Equally Weighted Index and replaced by the highest ranking company from the Reserve List (See 4.2).
- 7.5 If a constituent company of the FTSE 100 Semi Annual Equally Weighted Index is acquired by an eligible* non-constituent, the acquired entity will be removed from the FTSE 100 Semi Annual Equally Weighted Index and will be replaced by the acquiring company at the same weight.

- 7.6 If the effect of a merger or takeover is that one constituent in the FTSE 100 Semi Annual Equally Weighted Index is absorbed by another constituent, the resulting company will remain a constituent of the index, and a vacancy will be created. The vacancy will be filled by selecting the highest ranking security from the Reserve List (See Rule 4.2).
- 7.7 If an index constituent has a demerger and the newly spun-off company is eligible* for inclusion in the FTSE 100 Index it will be added to the FTSE 100 Semi Annual Equally Weighted Index, Index, such that the index weighting of the combined companies pre and post the demerger event is maintained.
- 7.8 If an index constituent has a demerger and the newly spun-off company is ineligible* for inclusion in the FTSE 100 Index, it will remain a member of the FTSE 100 Semi Annually Equal Weighted Index for two trading days and then be deleted at market price or if no market price is available, at zero value and the proceeds applied to maintain An unchanged weight in the constituent undergoing the demerger event.
- 7.9 If an index constituent has a demerger and both the newly spun-off and parent company are ineligible*, both will remain members of the FTSE 100 Semi Annually Equal Weighted Index for two trading days and then be deleted at market price or if no market price is available, at zero value. The vacancy will be filled by selecting the highest ranking security from the Reserve List (See Rule 4.2).

* Eligibility is determined by the FTSE UK Series eligibility rules.

Section 8

Index Calculation

8.0 Index Calculation

8.1 Prices

8.1.1 The FTSE 100 Semi Annual Equally Weighted Index will use actual trades on SETS.

8.2 Calculation Frequency

8.2.1 The FTSE 100 Semi Annual Equally Weighted Index will be calculated in real-time using real time prices.

8.3 Index Calculation

8.3.1 The FTSE 100 Semi Annual Equally Weighted Index will be displayed to two decimal points.

8.3.2 The FTSE 100 Semi Annual Equally Weighted Index is calculated using the following formula:

$$\sum_{i=1}^N \frac{(p_i \times e_i \times s_i \times f_i \times c_i)}{d}$$

Where,

- $i=1,2,\dots,N$
- N is the number of securities in the index.
- p_i is the latest trade price of the component security (or the price at the close of the index on the previous day).
- e_i is the exchange rate required to convert the security's currency into the index's base currency.
- s_i is the number of shares in issue used by FTSE Russell for the security, as defined in the Ground Rules for the FTSE 100 index.
- f_i is the Investability Weighting Factor to be applied to a security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float. This factor is published by FTSE Russell for each security in the underlying index.
- c_i is the Weighting Factor to be applied to a security to correctly weight that security in the index at the time of the semi-annual review. This factor maps the investable market capitalisation of each stock to a notional market capitalisation for inclusion in the index.

- d is the divisor, a figure that represents the total issued share capital of the index at the base date. The divisor is adjusted to allow changes in the issued share capital of individual securities without distorting the index.



Appendix A: Index Opening and Closing Hours

	Open	Close
FTSE 100 Semi Annual Equally Weighted Index	08:00	16:30

Notes:

1. Closing prices will be London Stock Exchange Official Closing Price.
2. The index will not be calculated on UK Public Holidays and may close early on the business day prior to the Christmas and New Year Public Holidays.
3. Timings are UK hours (GMT or BST).



Appendix B: Status of Index

The FTSE 100 Semi Annual Equally Weighted Index which is calculated in real time may exist in the following states. Official Market Hours are defined as that period when SETS is open for order execution.

A) Firm

- i) The Index is being calculated during Official Market Hours on actual trades from SETS. No message will be displayed against the index value.
- ii) The Official Closing Price for FTSE 100 Semi Annual Equally Weighted Index will be the London Stock Exchange Official Closing Price.

B) Closed

The Index has ceased all calculations for the day. The message 'CLOSE' will be displayed against the index value calculated by FTSE Russell.

C) Held

During Official Market Hours, an index has exceeded pre-set operating parameters and the calculation has been suspended pending resolution of the problem. The message 'HELD' will be displayed against the last index value calculated by FTSE Russell.

D) Indicative

If there is a system problem or situation in the market that is judged to affect the quality of the constituent prices at any time when an index is being calculated, the index will be declared indicative (e.g. normally where a 'fast market' exists in the equity market). The message 'IND' will be displayed against the index value calculated by FTSE Russell.

The official opening and closing hours of the FTSE 100 Semi Annual Equally Weighted Index are set out in Appendix A. Variations to the official hours of the Index will be published by FTSE Russell.



Appendix C: Further Information

A Glossary of Terms used in FTSE Russell's Ground Rule documents can be found using the following link:

[Glossary.pdf](#)

Further information on the FTSE 100 Semi Annual Equally Weighted Index is available from FTSE Russell.

For contact details please visit the FTSE Russell website or contact FTSE Russell client services at info@ftserussell.com.

Website: www.ftserussell.com

© 2019 London Stock Exchange Group plc and its applicable group undertakings (the "LSE Group"). The LSE Group includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada") and (4) MTSNext Limited ("MTSNext"), (5) Mergent, Inc. ("Mergent"), (6) FTSE Fixed Income LLC ("FTSE FI") and (7) The Yield Book Inc ("YB"). All rights reserved.

The FTSE 100 Semi Annual Equal Weighted Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, MTSNext, Mergent, FTSE FI and YB. "FTSE®", "Russell®", "FTSE Russell®" "MTS®", "FTSE4Good®", "ICB®", "Mergent®", "The Yield Book®" and all other trademarks and service marks used herein (whether registered or unregistered) are trade marks and/or service marks owned or licensed by the applicable member of the LSE Group or their respective licensors and are owned, or used under licence, by FTSE, Russell, MTSNext, FTSE Canada, Mergent, FTSE FI, YB.

All information is provided for information purposes only. Every effort is made to ensure that all information given in this publication is accurate, but no responsibility or liability can be accepted by any member of the LSE Group nor their respective directors, officers, employees, partners or licensors for any errors or for any loss from use of this publication or any of the information or data contained herein.

No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE 100 Semi Annual Equal Weighted Index or the fitness or suitability of the Index for any particular purpose to which it might be put.

No member of the LSE Group nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any representation regarding the advisability of investing in any asset. A decision to invest in any such asset should not be made in reliance on any information herein. Indexes cannot be invested in directly. Inclusion of an asset in an index is not a recommendation to buy, sell or hold that asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of the LSE Group. Use and distribution of the LSE Group index data and the use of their data to create financial products require a licence with FTSE, Russell, FTSE Canada, MTSNext, Mergent, FTSE FI, YB and/or their respective licensors.