



FTSE Global Equity Index Series

v8.8



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Section 1

Introduction

1.0 Introduction

1.1 The FTSE Global Equity Index Series

1.1.1 The FTSE Global Equity Index Series covers securities in 48 different countries and is divided into Developed, Advanced Emerging and Secondary Emerging segments. For the purpose of these Ground Rules, reference to the FTSE Global Equity Index Series incorporates the:

- FTSE Global All Cap Index Series (Large, Mid and Small Cap)
- FTSE All-World Index Series (Large and Mid Cap)
- FTSE World Index Series (Large and Mid Cap - Developed and Advanced Emerging only)
- FTSE Global Small Cap Index Series (Small Cap)
- FTSE Global Micro Cap Index Series (Micro Cap)
- FTSE Global Small/Micro Index Series (Small and Micro Cap)
- FTSE Global Total Cap Index Series (Large, Mid, Small and Micro)

1.1.2 Indexes are calculated at the following levels:

- Geographic (Global, Regional, Country)
- Country classification (Developed, Advanced Emerging, Secondary Emerging)
- ICB Industry
- ICB Sector

The following variants are available:

- Capital and total return indexes.
- Net total return Indexes based on maximum withholding tax rates (see Section 10).
- Currency hedged indexes.
- Capped Indexes. For full details see the FTSE Russell Capping Methodology.
- Constituent size - large, mid, small and micro capitalisation indexes. For full details of the breakdown between large, mid small and micro capitalisation indexes see Section 7.
- Value and growth indexes are calculated. Separate Ground Rules are available for these indexes.
- Domestic indexes with no foreign ownership restrictions are also available.
- Selected indexes of the FTSE Global Equity Index Series are calculated and disseminated on a real time basis (see Appendix C).
- All indexes are calculated in US Dollars and local currency. The index values are also published in Euros, UK Pounds Sterling, and Japanese Yen.

- Fully customised indexes are also available including customised capped indexes and indexes with industry exclusions.

Full technical details of calculations and statistical procedures are contained in the Appendices to these Ground Rules and the FTSE Global Equity Index Series Guide to Calculation Methods and Corporate Actions and Events Guide for Market Capitalisation Weighted Indexes available from FTSE Russell.

1.2 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.

1.3 Index objective and Intended Use

1.3.1 The indexes and index statistics are intended to reflect the investment markets included in the index definitions and to facilitate the detailed analysis of such markets.

1.3.2 FTSE Russell hereby notifies users of the index series 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 series and therefore, any financial contracts or other financial instruments that reference the index series or investment funds which use the index series to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index.

1.3.3 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.

1.4 IOSCO

1.4.1 FTSE considers that the FTSE Global Equity Index Series meets the IOSCO Principles for Financial Benchmarks as published in July 2013.

Full details can be accessed at www.iosco.org.

Details of FTSE Russell's Statement of Compliance with respect to the IOSCO Principles can be accessed using the following link:

[IOSCO Statement of Compliance](#)



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 series.¹

2.1.2 FTSE is responsible for the daily calculation, production and operation of the index series 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 series 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.

2.2 FTSE Russell External Advisory Committees

2.2.1 To assist in the oversight of the indexes FTSE Russell has established the following external advisory committees:

- FTSE Russell Asia Pacific Regional Equity Advisory Committee
- FTSE Russell Europe, Middle East & Africa Regional Equity Advisory Committee
- FTSE Russell Americas Regional Equity Advisory Committee
- FTSE Russell Country Classification Advisory Committee
- FTSE Russell Industry Classification Advisory Committee
- FTSE Russell Policy Advisory Board

2.2.2 The Terms of Reference of the FTSE Russell external advisory committees are set out on the FTSE Russell website and can be accessed using the following link:

[Terms of Reference](#)

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).

2.3 **Amendments to These Ground Rules**

- 2.3.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they continue to best reflect the aims of the index series. 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.
- 2.3.2 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 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 FTSE Global Equity Index Guide to Calculation Methods

The aim of the guide is to describe how the indexes are calculated, to facilitate users replication of the indexes in order to support their investment and trading activities and to assist users in understanding the factors which influence the performance of the indexes.

[FTSE Global Equity Index Series Guide to Calc.pdf](#)

3.2 Corporate Actions and Events Guide

3.2.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link:

[Corporate Actions and Events Guide.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 Ground 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 FTSE Russell's Product Governance Board.

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

[Statement of Principles.pdf](#)

3.4 Queries, Complaints and Appeals

A constituent or prospective constituent company (or professional advisor acting on behalf of the company), a national organisation or a group of no fewer than ten users of the Indexes from different organisations acting in their professional capacity may appeal against decisions taken by FTSE Russell.

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

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

FTSE Russell's Appeal Process can be accessed using the following link:

[Appeals Against Decisions.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 Global Equity Index Series are recalculated whenever errors or distortions occur that are deemed to be significant. Users of the FTSE Global Equity Index Series 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

Country Inclusion Criteria

4.0 Country Inclusion Criteria

4.1 Classification Categories

4.1.1 FTSE classifies countries included in its global indexes into one of three categories: Developed, Advanced Emerging and Secondary Emerging. FTSE maintains a set of criteria to assess market status and minimum standards for each category for countries and markets to achieve in order to be eligible for that category. The minimum standards increase from Secondary Emerging to Advanced Emerging and from Advanced Emerging to Developed. A country will be classified under the category with the highest standards which it meets. FTSE conducts an annual review of all countries included in its global indexes and those being considered for inclusion. See Appendix E for a current list of countries included in each category.

Also refer to the following link: [Country Classification](#)

4.1.2 In order for a country to be classified as Developed, Advanced Emerging or Secondary Emerging, it must meet the required criteria for those categories as set out in the FTSE Quality of Markets matrix and also have a minimum of three securities which meet the FTSE Global Equity Index Series eligibility thresholds.

4.1.3 Country level indexes for markets classified as Developed, Advanced Emerging or Secondary Emerging will be calculated until the number of eligible securities decreases to zero. At this point, the country will be added to the FTSE Watch List for possible reclassification to Frontier market status. Thus, it is possible that a country level index for a Developed, Advanced Emerging or Secondary Emerging market may exist with zero securities while the country awaits a possible reclassification to Frontier market status. Notification of the reclassification of a country to Frontier status under such circumstances would be published in the March interim update or in the September annual announcement.

4.1.4 Classification as a Frontier market, does not require the country to meet the eligibility requirements for the creation of a country level index.

4.1.5 Countries and markets currently eligible for the FTSE Global Equity Index Series can be seen in Appendix A.

4.2 Criteria for Index Inclusion

4.2.1 Once a country has met the required standards, it will be eligible for inclusion in the FTSE Global Equity Index Series. However, for the country index to be constructed and included in the FTSE

Global Equity Index Series, a minimum of 3 companies must pass the securities eligibility criteria and screens (see sections 5, 6 and 7) for inclusion in the regional FTSE Global All Cap Index.

4.2.2 An existing country index will remain in the FTSE Global Equity Index Series while any eligible constituents representing the country remain within the index. On the deletion of the last constituent, the country will continue to be eligible, but the country index will be immediately removed from the FTSE Global Equity Index Series and will only be reconsidered for inclusion if it meets the minimum requirement of 3 eligible companies in the regional FTSE Global All Cap Index.

4.2.3 Country indexes currently calculated for the FTSE Global Equity Index Series can be seen in Appendix F.

4.3 **Country Review Process**

4.3.1 FTSE conducts an annual review of all countries included in its global indexes and those being considered for possible inclusion. Countries already in the indexes will be assessed against the minimum standards for each category and prior to any reclassification or removal from the index will be placed on a watch-list. Countries not in the index will be assessed against the minimum standards for each category and, if appropriate, will be added to the watch list for possible future inclusion to one of the categories. In conducting the annual review, FTSE will consult the FTSE Russell Country Classification Advisory Committee. In March and September of each year, FTSE will publish a watch list of countries being monitored for possible promotion or demotion.

This process is detailed in the following document:

[FTSE Country Classification Paper.pdf](#)

4.3.2 FTSE releases the results of its annual review in September of each year. FTSE will normally give at least six months notice before changing the classification of any country.

4.3.3 Countries may be added to the indexes at any time after a prior announcement.

4.3.4 New regional indexes may be added at any time after a prior announcement.

4.3.5 Companies in the newly added countries will be reviewed in line with the relevant semi-annual regional review and any changes implemented after a prior announcement.



Section 5

Inclusion Criteria

5.0 Inclusion Criteria

5.1 Company Inclusion Criteria

5.1.1 The following are regarded as ineligible for inclusion:

- Companies whose business is that of holding equity and other investments (e.g. Investment Trusts) which are assumed by the Industry Classification Benchmark as Subsector equity investment instruments and non-equity investment instruments.
- Limited Liability Partnerships (LLP), Limited Partnerships (LP), Master Limited Partnerships (MLP), Limited Liability Companies (LLC) and Business Development Companies (BDC).

Where a stapled unit comprises an eligible security and a non eligible security (such as non equity or an Investment Trust structure) the unit will not be eligible for inclusion.

5.2 Security Inclusion Criteria

5.2.1 FTSE Russell periodically review the classes of securities to be included in each country.

Appendix B shows the current list of eligible classes for eligible countries.

5.2.2 Convertible preference shares and loan stocks are excluded – until converted.



Section 6

Screens Applied to Eligible Securities

6.0 Eligible Security Screens

Eligible securities are required to pass the following screens before being added to the FTSE Global Equity Index Series.

6.1 Minimum Voting Rights

- 6.1.1 Companies assigned a developed market nationality (please see Appendix E for a list of developed markets) are required to have greater than 5% of the company's voting rights (aggregated across all of its equity securities, including, where identifiable, those that are not listed or trading) in the hands of unrestricted shareholders or they will be deemed ineligible for index inclusion. Emerging market securities are not subject to this requirement.
- 6.1.2 Existing constituents with a developed market nationality which do not currently meet the above requirement have a 5 year grandfathering period to comply. If subsequently they continue to fail the minimum voting rights requirement they will be removed from FTSE Russell indexes at the September 2022 review.
- 6.1.3 The percentage of a company's voting rights in public hands is calculated as:

$$\frac{\text{The number of votes in the hands of shareholders that are unrestricted as determined by the application of FTSE Russell free float definitions}}{\text{The total number of votes conferred by the shares outstanding of all the company's voting securities including those that have not been admitted to trading on a regulated venue}}$$

For example, Company A has 100m listed Class A shares each conferring one vote, free float is 65%. It also has 300m unlisted Class B shares each conferring 10 votes.

The test to assess whether the listed Class A line has the required greater than 5% of the company's voting rights is as follows:

$$\frac{65\text{m (i. e. 100m Class A voting rights * 65\% float)}}{3.1\text{bn (i. e. 100m Class A + 3bn Class B)}} = 2.097\% \text{ of the company's voting rights in public hands}$$

6.2 Investability Weightings Screen

Constituents of the FTSE Global Equity Index Series are adjusted for free float and foreign ownership limits.

A. Initial Weighting

Free float is calculated using available published information rounded to 12 decimal places.

Securities with a free float of 5% or below are excluded from the index

Details on free float restrictions can be accessed using the following link:

[Free Float Restrictions.pdf](#)

B. Foreign Ownership Restrictions

FTSE Russell's index methodology takes account of the restrictions placed on the equity holdings of foreign investors in a company where these have been imposed by a government, regulatory authority or the company's constitution.

Further details of the Foreign Ownership Restrictions can be accessed using the following link:

[Foreign Ownership Restrictions and Minimum Foreign Headroom Requirement.pdf](#)

C. Minimum Foreign Headroom Requirement

FTSE Russell defines "foreign headroom" as the percentage of shares available to foreign investors as a proportion of the company's Foreign Ownership Limit (FOL), i.e. $(FOL - \text{foreign holdings})/FOL$.

For example, if a company has a foreign ownership limit, of 49%, of which 39% is held by foreign investors, the foreign headroom will be calculated as 20.41% i.e. $(49\% - 39\%)/49\%$.

Further details of the Minimum Foreign Headroom Requirement can be accessed using the following link:

[Foreign Ownership Restrictions and Minimum Foreign Headroom Requirement.pdf](#)

6.3 Liquidity Screen

6.3.1 Calculating Liquidity:

Each security will be tested for liquidity semi-annually in March and September by calculation of its monthly median of daily trading volume.

Liquidity will be calculated for the March review from the first business day of January to the last business day of December of the previous year and for the September review from the first business day of July of the previous year to the last business day of June.

Security volume data will be taken on trading days from Monday to Sunday (where applicable) when markets are open.

When calculating the median of daily trading volume of any security for a particular month, a minimum of 5 trading days in that month must exist, otherwise the month will be excluded from the test.

For each month, the daily trading volume for each security is calculated as a percentage of the shares in issue for that day adjusted by the free float at the review cut off date. These daily values are then ranked in descending order and the median is taken by selecting the value for the middle ranking day if there is an odd number of days and the mean of the middle two if there is an even number of days.

Daily totals with zero trades are included in the ranking, therefore a security that fails to trade for more than half of the days in a month will have a zero median trading volume for that month.

Any period of suspension will not be included in the test.

For newly eligible securities where the testing period is less than 12 months, the liquidity test will be applied on a pro-rata basis.

6.3.2 Liquidity Thresholds:

- A. An existing constituent of the FTSE Global All Cap Index Series which, based on its median daily trading volume per month does not turnover at least 0.04% of its shares in issue (after the application of any free float weightings*) for at least eight of the twelve months prior to a full market review will be removed from the Index Series.

An existing constituent of the FTSE Global Micro Cap Index Series which, based on its median daily trading volume per month does not turnover at least 0.02% of its shares in issue (after the application of any free float weightings*) for at least eight of the twelve months prior to a full market review will be removed from the Index Series.

- B. A non-constituent of the FTSE Global All Cap Index Series which, based on its median daily trading volume per month, does not turnover at least 0.05% of its shares in issue (after the application of any free float weightings*) for at least ten of the twelve months prior to a full market review will continue to be excluded from the Index Series.

A non-constituent of the FTSE Global Micro Cap Index Series which does not turnover at least 0.025% of its shares in issue (after the application of any free float weightings*) for at least ten of the twelve months prior to a full market review will continue to be excluded from the Index Series.

- C. New issues which do not have a twelve month trading record must have a minimum three month trading record when reviewed.
- For entry to the FTSE Global All Cap Index Series they must turnover at least 0.05% of their shares in issue (after the application of any free float weightings)* based on their median daily trading volume each month, on a pro-rata basis since listing.
 - For entry to the FTSE Global Microcap Index Series they must turnover at least 0.025% of their shares in issue (after the application of any free float weightings)* based on their median daily trading volume each month, on a pro-rata basis since listing. This rule will not apply to new issues added under the Fast Entry Rule (see Rule 8.1.3).

Newly eligible securities will be treated as new issues and liquidity will be tested from the date of eligibility. Trading records prior to this date will not be taken into account.

- D. This rule will not apply to new issues added under the Fast Entry Rule (see Rule 8.1.3).
- E. Existing FTSE Global Small Cap Index Series constituents that fail the liquidity rule but pass all other eligibility criteria will not be eligible for inclusion in the FTSE Global Micro Cap Index Series until the next periodic review.
- F. In the event that a company fails the liquidity test based on its underlying shares, and the company has an equivalent Depositary Receipt (DR) then the DR may be considered for inclusion in the index if it passes the liquidity test in its own right and is traded on an exchange within a similar regional time-zone as the underlying shares.

* When testing liquidity the free float weight as at the last date in the testing period will be used for the calculation for the whole of that period

Where a company has both DR and underlying shares listed, both lines will be tested separately for liquidity. The underlying share will be included as long as they pass the liquidity test in their own right. The DR will only be eligible for inclusion if the underlying shares fail the liquidity test and the DR passes in its own right.

Where the DR has been included it will remain in the index until such time it either fails the liquidity test or the underlying shares pass the liquidity test for two future consecutive reviews.

- G. The above percentage figures may be adjusted by 0.01% at a market review so that, the index better reflects the liquid investable market of the region. This discretion may only be exercised across the whole of a region and may not be applied to individual securities or countries.

Please note: although discretion is normally applied to lower the liquidity thresholds of both constituents and non-constituents of a region, FTSE Russell reserves the right (for example, where one or more markets is changing country classification status) to determine if discretion should only apply to non-constituents. Where any discretion is exercised FTSE Russell would provide advance notification prior to implementation.

For further details please refer to the FTSE Global Equity Index Series - Guide to Calculation Method for the Median Liquidity Test which can be accessed using the following link:

[Guide to Calculation Methods for GEIS Liquidity.pdf](#)

6.4 Surveillance Stocks Screen

6.4.1 Securities which are subject to surveillance by the stock exchanges and have been assigned to any of the following segments will not be eligible for index inclusion. Where an existing constituent is assigned to an ineligible segment it will normally be deleted from the index at the next quarterly review and it will only be reconsidered for index inclusion after a period of 12 months from its deletion subject to it no longer being under surveillance. For the purposes of the index eligibility it will be treated as a new issue.

| Country | Exchange | Segment |
|-------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| China | Shanghai Stock Exchange Shenzhen Stock Exchange | Special Treatment (ST) |
| India | Bombay Stock Exchange National Stock Exchange of India | Graded Surveillance Measure (GSM) |
| Malaysia | Bursa Malaysia | PN17 |
| Poland | Warsaw Stock Exchange | Alert List |
| Singapore | Singapore Exchange | Watch-list |
| South Korea | Korea Exchange | Administrative Issues |
| Taiwan | Taiwan Stock Exchange | Altered Trading Method (ATM) |
| Thailand | Stock Exchange of Thailand | Companies facing possible delisting according to No. 9(6) of SET's Regulations on Delisting of Securities |
| Turkey | Borsa Istanbul | Watchlist |

Securities that are assigned to the above segments after the review announcement date but before the index review effective date are assessed on a case-by-case basis which may generally result in scheduled index review additions, investability weight and shares in issue changes no longer being implemented at the forthcoming review.

6.5 Trading Screen

6.5.1 Existing and non-constituent securities which have not traded on 60 or more trading days during the past year (up to and including the review cut-off date), will not be eligible for index inclusion. Regular/ad-hoc market holidays, and unscheduled market closures will not count towards the total; otherwise, the reason(s) for a security's non-trading will not be considered. If a security does not have a full year of trading, the 60 day period will be pro-rated according to the number of available trading days passed since its listing. Please note:

- All standard trading days will be incorporated within the calculation (Friday and Sundays as appropriate)
- Ad-hoc non-standard trading days will not be incorporated within the calculation (e.g. ad-hoc Saturday trading will not be considered)
- Where a pro-rata calculation is necessary, the number of available trading days on the underlying market during the previous year up to and including the review cut-off date will be used as the basis of the calculation. E.g. Market ABC has 253 available trading days for the annual period to the review cut-off date; therefore the security would not be eligible if for 23.7% (60/253) or more of its available trading days since listing, it did not trade.

- A security which has been removed from an index as a result of this screen will only be re-considered for inclusion after a period of 12 months from its deletion. For the purposes of index eligibility it will be treated as a new issue.



Section 7

Periodic Review of Constituents

7.0 Periodic Review of Constituents

7.1 Index Regions and Reviews

7.1.1 Countries are grouped into regions (detailed below) for the purpose of reviews. The review of each region takes place semi-annually as detailed below.

| Regions to be Reviewed | Date of Review | Data Taken as of |
|---------------------------------------------|-----------------------|-------------------------------|
| Asia Pacific ex China ex Japan ² | March Semi-Annual | Last business day in December |
| China ² | | |
| Developed Europe | September Semi-Annual | Last business day in June |
| Emerging Europe | | |
| Japan | | |
| Latin America | | |
| Middle East & Africa | | |
| North America | | |

Note: Advanced Emerging and Secondary Emerging markets are treated as Emerging for the purposes of Sections 7 and 8.

7.2 Index Reviews

7.2.1 Countries are usually reviewed semi-annually in March and September, on a region by region basis, based on data as at the close of business on the last business day of December and June (where the last business day of the month falls on a Saturday or Sunday for any individual countries, data will be taken as at close of the last business day before Saturday). Any constituent changes resulting from the periodic review will be implemented after the close of business on the third Friday (i.e. effective the following Monday) of March and September.

7.2.2 The review process is designed to reflect market movements since the previous review and to minimise turnover.

7.3 Review Process

² Effective from the March 2019 semi-annual review, the different China Share classes will be reviewed as a standalone region. China A Shares which pass the March 2019 semi-annual index eligibility criteria will be added to the FTSE Global Equity Index Series from June 2019, subject to them continuing to be available on the Northbound China Stock Connect Scheme Buy-and-Sell List

7.3.1 Define the 100% Regional Universe by selecting all eligible companies (as per Appendices A and B) assigned the nationality of countries that are included in the global indexes.

All securities included in FTSE global indexes are assigned a nationality in accordance with the rules as set out in the Nationality Statement. Details can be accessed using the following link:

[Determining Nationality.pdf](#)

7.3.2 Value companies by full market capitalisation (shares in issue * price), group multiple lines, and rank companies (not securities) by full market capitalisation (companies which are capped will be ranked based on their full capped market capitalisation (see Rule 7.3.4.).

- A company's full market capitalisation will consist of any equity shares that are listed and in issue at the index review cut-off date in accordance with FTSE Russell's shares in issue rules as set out in the Corporate Actions and Events Guide, which can be accessed using the following link:

[Corporate Actions and Events Guide.pdf](#)

- Shares that have been listed but do not form part of a company's current issued share capital, such as treasury shares and shares pending issuance to an employee scheme, will be excluded from the full market capitalisation calculation.

7.3.3 Calculate the total market capitalisation of the regional universe by aggregating the full capitalisation of all eligible companies in the region.

7.3.4 Any company which has a full market capitalisation greater than 10% based on the total capitalisation of the regional universe will be capped at 10%. If no company requires capping, the 100% regional universe will be defined as per Rule 7.3.1, otherwise the 100% regional universe will be recalculated by aggregating the capped total market capitalisation of all eligible companies in the region.

7.3.5 Throughout the review process all of a company's eligible securities will remain grouped, and companies as a whole, rather than individual securities are assigned to Large, Mid or Small Cap (see Rule 7.6).

7.3.6 Define the Index Universe - Ranked by full market capitalisation (companies which are capped will be ranked based on their full capped market capitalisation) in descending order, calculate the cumulative market capitalisations of all stocks in the regional universe and their relevant weights. The top 98% of the Regional Universe will be selected and forms the Index Universe.

7.4 **Screens Applied to Eligible Securities**

Eligible securities are subject to the screens detailed in Section 6.

7.4.1 All China shares classes outlined in Appendix B will be reviewed as part of the China regional review. China A shares that pass the index inclusion screens will be selected as constituents of the FTSE China A Indexes.

7.4.2 On a quarterly basis in March, June, September and December, using data as at the close of business on the Wednesday before the first Friday of the review month, constituents of the FTSE China A Indexes that are eligible under the Northbound China Stock Connect Scheme Buy-and-Sell list will be included in the FTSE Global Equity Index Series and constitute the FTSE China A Stock Connect Indexes.

7.5 **Multiple Lines**

Where there are multiple lines of equity capital in a company, all are included and priced separately, provided that they pass index eligibility screens in their own right.

All partly-paid classes of equity are priced on a fully-paid basis if the calls are fixed and are payable at known future dates. Those where future calls are uncertain in either respect are priced on a partly-paid basis.

7.6 Reviewing Constituents for the Indexes

7.6.1 To reduce turnover, existing and potential constituents are subject to a series of 'buffer zones' to determine the cut-off points between Large, Mid and Small Cap – the buffers are detailed in the table below. In addition to the percentage cut-offs, new constituents are required to pass basis points entry and exit levels allocated to each specific region and index segment (FTSE All-World Index and FTSE Global Small Cap Index). These basis points entry and exit levels are detailed in Rule 7.6.2.

| Turnover Bands (Based on the Index Universe) | | |
|----------------------------------------------|------------------------|------------------------|
| | Eligible for Inclusion | Eligible for Exclusion |
| Large Cap | 68% | 72% |
| Mid Cap | 86% | 92% |
| Small Cap | 98% | 101% |

Note: 101% of the Index Universe is approximately 99% of the Regional Universe.

7.6.2 Inclusion and exclusion percentage levels by investable market capitalisation for all the regions in the FTSE Global Equity Index Series to determine additions and deletions and other changes in the index are shown below. These percentages are based on the respective regional Small Cap Index. Individual securities will be tested against the relevant regional levels.

| Region | For Inclusion (New Stocks) | For Exclusion (Current Stocks) |
|---------------------------------------------|-------------------------------|-----------------------------------|
| Developed Europe | | |
| North America | 0.02% | 0.005% |
| Asia Pacific ex China ex Japan | | |
| Japan | 0.05% | 0.01% |
| China (A, B, H, N Share, P, Red and S Chip) | 0.1% | 0.02% |
| Latin America | 0.50% | 0.20% |
| Emerging Europe | | |
| Middle East & Africa | 1.00% | 0.20% |

In exceptional circumstances where FTSE Russell believes that strict adherence to the inclusion and exclusion levels listed in the above table and in Rule 7.6.3 would produce either excessive turnover at an index review, or an index that inaccurately represented different size segments, FTSE Russell reserves the right to vary the percentage levels.

7.6.3 Companies Currently Not in the Global Equity Index Series:

- Companies at or above 68% of the Index Universe by full market capitalisation with a weight greater than 0.04% of the current respective regional All-World Index by full market capitalisation, and with a weight greater than the inclusion percentage levels stated in Rule 7.6.2 for the respective region by investable market capitalisation, will be included in the Large Cap Index for the region under review.

- Companies ranked below 68%, but within the top 86% of the Index Universe by full market capitalisation with a weight greater than 0.04% of the current respective regional All-World Index by full market capitalisation, and with a weight greater than the inclusion percentage levels stated in Rule 7.6.2 for the respective region by investable market capitalisation, will be included in the Mid Cap Index for the region under review.
- Companies ranked below the top 86%, but within the top 98% of the Index Universe by full market capitalisation or have a weight less than 0.04% of the current respective regional All-World Index by full market capitalisation, and with a weight greater than the inclusion percentage levels stated in Rule 7.6.2 for the respective region by investable market capitalisation will be included in the Small Cap Index for the region under review.
- A security will be included in the Micro Cap Index if it has an investable market cap of greater than USD 25 million* and one of the following is true:
 - If Rule 7.6.1 has been applied to the index review, the company sits outside of the top 98% of the Index Universe by full market capitalisation; or
 - If Rule 7.6.2 has been applied to the index review, the security is less than the small cap inclusion level by investable market cap and the company sits outside the top 92% of the Index Universe by full market capitalisation.

* Index adjusted by the global Micro Cap price index.

Existing Constituents:

- **Large Cap** constituents will remain in the Large Cap Index if they fall within the top 72% of the ranking described in Rule 7.3. If they are ranked between 72% and 92% of the Index Universe they will move to the Mid Cap. If they are ranked below 92% of the Index Universe but within the top 101% of the Index Universe, they will move to the Small Cap. If they are ranked below 101% of the Index Universe by full market capitalisation or have a weight less than the exclusion percentage levels stated in Rule 7.6.2 for the respective region by investable market capitalisation, they will be excluded from the index.
- **Mid Cap** constituents will move to the Large Cap if they fall within the top 68% of the ranking described in Rule 7.3. If they are ranked between 68% and 92% of the Index Universe they will remain in the Mid Cap. If they are ranked below 92% of the Index Universe but within the top 101% of the Index Universe, they will move to the Small Cap. If they are ranked below 101% of the Index Universe by full market capitalisation or have a weight less than the exclusion percentage levels stated in Rule 7.6.2 for the respective region by investable market capitalisation, they will be excluded from the index.
- **Small Cap** constituents will move to the Large Cap if they fall within the top 68% of the ranking described in Rule 7.3. If they are ranked between 68% and 86% of the Index Universe by full market capitalisation and have a weight greater than 0.04% of the current respective regional All-World Index by full market capitalisation they will move to the Mid Cap. If they are ranked below 86% of the Index Universe or have a weight less than 0.04% of the current respective regional All-World Index by full market capitalisation, but within the top 101% of the Index Universe, they will remain in the Small Cap. If they are ranked below 101% of the Index Universe by full market capitalisation or have a weight less than the exclusion percentage levels stated in Rule 7.6.2 for the respective region by investable market capitalisation, they will be excluded from the index.
- **Micro Cap** constituents will move to the Large Cap if they fall within the top 68% of the ranking described in Rule 7.3. If they are ranked between 68% and 86% of the Index Universe by full market capitalisation and have a weight greater than 0.04% of the current respective regional All-World Index by full market capitalisation they will move to the Mid Cap. If they are ranked

below 86% of the Index Universe or have a weight less than 0.04% of the current respective regional All-World Index by full market capitalisation, but within the top 98% of the Index Universe, they will move to the Small Cap. Micro Cap securities will be excluded from the index if they have an investable market cap of less than USD 20 million* or one of the following is true:

- If Rule 7.6.1 has been applied to the index review, the company sits inside the top 98% of the Index Universe by full market capitalisation; or
- If Rule 7.6.2 has been applied to the index review, the security is greater than the small cap inclusion level by investable market cap or the company sits inside the top 92% of the Index Universe by full market capitalisation.

* Index adjusted by the global Micro Cap price index.

Section 8

Additions Outside of a Review

8.0 Additions Outside of a Review

8.1 Definition of Fast Entry Thresholds

- a) **Large Cap Inclusion Level** - Full market capitalisation of the smallest company that falls wholly within the top 68% of the Index Universe by full market capitalisation of the respective region when ranked according to Rule 7.3.
- b) **Mid Cap Inclusion Level** - Full market capitalisation of the smallest company that falls wholly within the top 86% of the Index Universe by full market capitalisation of the respective region when ranked according to Rule 7.3.

8.1.1 For a security to be considered for fast entry, it will have to meet both a full market capitalisation threshold at company level and an investable market capitalisation threshold at security level.

- The full market capitalisation threshold is defined as 1.5 times the Mid Cap inclusion level (see 8.1b).

For example, if the 86% Mid Cap inclusion level is 10bn USD. The full market capitalisation fast entry threshold at company level will be $10\text{bn} * 1.5 = 15\text{bn USD}$

- The investable market capitalisation threshold is defined as 0.5 times the Mid Cap inclusion level.

For example, if the 86% Mid Cap inclusion level is 10bn USD. The investable market capitalisation fast entry threshold at security level will be $10\text{bn} * 0.5 = 5\text{bn USD}$.

Where a security passes both the full market capitalisation and investable market capitalisation test, it will be assigned to the Large Cap index subject to its full market capitalisation breaching the Large Cap inclusion level (see 8.1a), otherwise it will be assigned to the Mid Cap index.

Note: only shares offered at the time of the IPO will be included within the investable market capitalisation calculation for the purposes of evaluating fast entry eligibility, and if eligible, the offering shares only will be included within the index calculation.

Note: Foreign investors are prohibited from participating in China A IPO's via the Stock Connect access route, hence China A Share IPO's will be assessed for index eligibility at the next index review, subjecting to meeting the requirements detailed in 8.1.3 B Shares being offered as a greenshoe (over allotment option) and locked-up shares will be excluded from the investable market capitalisation calculation and excluded from the index calculation at the time of fast entry.

8.1.2 The Fast Entry level will be set at the time of the semi-annual reviews in March and September using data as at the last trading day in December and June, the Fast Entry levels will be adjusted up to 11 February or 11 August (previous trading day's data will be taken if any of these dates are on a non-trading day), respectively, to reflect the performance of the regional FTSE Global All Cap Index Series, and will be published by FTSE Russell.

In June and December the Fast Entry levels will be adjusted up to 11 May or 11 November respectively, to reflect the performance of the regional FTSE Global All Cap Index Series, and an updated figure will be published by FTSE Russell.

Please note: Where 11 February, 11 May, 11 August or 11 November are non-trading days or fall on a Saturday or Sunday then the previous trading day's data will be used.

8.1.3 Where a company, whether an existing constituent or not, undertakes an Initial Public Offering of a new equity security, that security will be eligible for fast entry inclusion to the FTSE Global Equity Index Series if it meets the following conditions:

- A. A new equity security (IPO), which satisfies the eligibility criteria and the screens other than the liquidity screen, is eligible for fast entry when its full market capitalisation and its investable market capitalisation using the closing price on the first day of trading is greater than the Fast Entry Thresholds for the relevant region (see Rule 8.1.1). The addition of a new security to the index will be implemented after the close of business on the fifth day of trading. In the event of the fifth day of trading being in close proximity to an index review, FTSE Russell may use its discretion to include a fast entrant at the index review date following advance notice.
- B. A new **equity** security (IPO) which does not qualify as an immediate fast entrant to the index will be re-considered for inclusion into the FTSE Global Equity Index Series at the next review. However, for inclusion at a quarterly review outside the March and September semi-annual reviews, its full company market capitalisation at close on 11 May or 11 November (previous trading day's data will be taken if any of these dates are on a non trading day or where they fall on a Saturday or Sunday as appropriate), must be:
 - equal to or greater than the entry levels under Rules 7.6.1 and 7.6.2 (index adjusted to reflect the change in performance of the regional index since its previous semi-annual review).
 - greater than the FTSE Global Micro Cap Entry Level shown in Rule 7.6.3 (index adjusted to reflect the change in performance of the regional index since its previous semi-annual review) for entry into the FTSE Micro Cap Index Series.
 - and it must qualify under Rules 6.2 and 6.3 (including the minimum requirement of a 3 month trading record under Rule 6.3.2C).

China A shares are not eligible for fast entry to the index and will be considered for inclusion into the FTSE Global Equity Index Series at the next review providing they trade under the Northbound China Stock Connect Scheme Buy-and-Sell List and satisfy the eligibility criteria and screens.

- C. In the case of a demutualisation where upon listing the entire free float of a new eligible security is immediately transferred to private shareholders the addition of the security will be deferred for one month after trading has commenced - provided that adequate liquidity over the intervening period (as defined under Rule 6.3) is demonstrated.
- D. Newly eligible securities, for example a non-constituent moving to an eligible market, will be reviewed for inclusion at the next semi-annual review.
- E. Variable and best effort IPOs* are not considered for fast entry inclusion since FTSE Russell is:

- unable to confirm if the minimum free float requirement has been met; and
- unable to assign an accurate free float for the purposes of the index calculation.

Direct listing IPOs will be eligible for consideration for fast entry inclusion if there is confirmation, before the close of trading on the first day of listing, of the number of shares that have been made available (e.g. specific holders have publicly disclosed a commitment to sell a number of shares). If there is no disclosure before the close of trading on the first day of listing, the company will not be considered as a potential fast entry addition.

- F. Variable and best effort IPOs and those direct listing IPOs (which do not qualify as a fast entrant) will be considered for index inclusion at the next quarterly review if, by the review cut-off date, a public disclosure* is available confirming either the actual number of shares sold during the offering or the post IPO shareholder structure. Index inclusion remains subject to meeting all other eligibility criteria. If the number of shares sold during the IPO, or the post IPO shareholder structure, remains unknown on the review cut-off date, the evaluation of the company will be deferred to a subsequent quarterly review.

*A public disclosure is typically by way of a company filing, stock exchange notice or shareholding regulatory announcement.

Section 9

Corporate Actions and Events

9.0 Corporate Actions and Events

9.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link:

[Corporate Actions and Events Guide.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.

9.2 Shares in Issue

9.2.1 Changes to the number of shares in issue for constituent securities are covered in the Corporate Actions and Events Guide.

9.3 Investability Weightings

9.3.1 Changes to free float for constituent securities are covered in the Corporate Actions and Events Guide.

9.4 Spin-offs

If a constituent company is split and forms two or more companies by issuing new equity to existing shareholders, then the resulting companies may be eligible to continue as constituents in the same indexes within the FTSE Global Equity Index Series as their predecessor company. Where eligible to continue as a constituent, the spin-off entity (entities) will remain in the same indexes as the parent company until the next quarterly review, where subject to there being a minimum 3 month trading

record, it will be tested for liquidity as a new issue and be re-ranked or deleted, if below the exit threshold.

For further details please refer to the Corporate Actions and Events Guide.

9.5 **Suspension of Dealing**

Suspension of dealing rules can be found within the Corporate Actions and Events Guide.

9.6 **Takeovers, Mergers and Demergers**

The treatment of takeovers, mergers and demergers can be found within the Corporate Actions and Events Guide.

9.7 **Trading Under the Northbound China Stock Connect Scheme Buy-and-Sell List**

China A shares will be removed from FTSE Global Equity Index Series if they are removed from the Northbound China Stock Connect Scheme Buy-and-Sell List. The deletion will be concurrent with the Northbound China Stock Connect Scheme Buy-and-Sell List. Where limited notification has been provided of a change to the Northbound China Stock Connect Scheme Buy-and-Sell List, FTSE Russell will provide notice advising of the timing of the change.



Section 10

Treatment of Dividends

10.0 Treatment of Dividends

- 10.1 Declared dividends are used to calculate the Standard Total Return Indexes in the FTSE Global Equity Index Series. All dividends are applied as at the ex-div date.
- 10.2 A series of net of tax Total Return Indexes are also calculated based on the maximum withholding tax rates applicable to dividends received by institutional investors who are not resident in the same country as the remitting company and who do not benefit from double taxation treaties.

Withholding tax rates used in the net-of-tax indexes can be accessed using the following link:

[Withholding Tax Service](#)

Please also refer to the FTSE Russell Withholding Tax Guide which can be accessed using the following link:

[FTSE_Russell_Withholding_Tax_Guide.pdf](#)



Section 11

Industry Classification Benchmark (ICB)

11.0 Industry Classification Benchmark (ICB)

11.1 Classification Structure

- 11.1.1 The FTSE Global Equity Index Series constituents are classified into Industries, Supersectors, Sectors and Subsectors, as defined by the Industry Classification Benchmark (ICB).
- 11.1.2 Details of the Industry Classification Benchmark are available from FTSE Russell and published on the FTSE Russell website (www.ftserussell.com) and can be accessed using the following link:
[Industry Classification Benchmark](#)

Section 12

Algorithm and Calculation Method

12.0 Algorithm and Calculation Method

12.1 Prices

12.1.1 The FTSE Global Equity Index Series use actual closing mid-market or last trade prices, where available, for securities with local market quotations. Further details can be accessed using the following link:

[Closing Prices Used For Index Calculation.pdf](#)

12.1.2 Thomson Reuters real time exchange rates are used in the index calculations which are disseminated in real-time. Exchange rates used in the End of Day calculations are WM/Reuters Closing Spot Rates™, collected at 16:00 London time (further information on The WM/Reuters Closing Spot Rates™ service is available from The WM Company).

12.2 Calculation Frequency

12.2.1 See Appendix C for the calculation schedule for the FTSE Global Equity Index Series.

12.3 Algorithm

12.3.1 For details on the Algorithm and calculation methods used for the FTSE Global Equity Index Series see the Guide to Calculation Methods.

12.3.2 The performance of an index in the FTSE Global Equity Index Series on a given day is determined by calculating the percentage difference between:

- the index's market capitalisation as at the close of that day and
- the market capitalisation at the start of that day

'Start of the day' is defined as the previous day's close adjusted for capital changes, investability weight changes, additions and deletions.

12.3.3 Adjustments are applied whenever capital changes take place, so that the performance of the FTSE Global Equity Index Series reflects the experience of investors (for further details see the Corporate Actions and Events Guide).

Appendix A: Eligible Exchanges and Market Segments

Note: Any security listed solely on a venue which is deemed to be an Over-the-Counter (OTC), Alternative Trading System or a Multi-Lateral Trading Facility (MTF) will not be considered for index inclusion.

Asia Pacific ex China ex Japan³

| Country | Exchange | Segment Name |
|-------------|----------------------------------|-------------------------------|
| Australia | Australian Securities Exchange | ASX Official Market |
| Hong Kong | Stock Exchange of Hong Kong | Main Board |
| India | National Stock Exchange of India | Main Board |
| Indonesia | Indonesia Stock Exchange | Main Board |
| Malaysia | Bursa Malaysia | Main Market |
| New Zealand | New Zealand Exchange | Main Board |
| Pakistan | Pakistan Stock Exchange | Main Board |
| Philippines | Philippine Stock Exchange | Main Board |
| Singapore | Singapore Exchange | Main Board |
| South Korea | Korea Exchange | KOSPI Market KOSDAQ Market |
| Taiwan | Taiwan Stock Exchange | TWSE Market |
| | Taipei Exchange | TPEX General Stock Board |
| Thailand | Stock Exchange of Thailand | Main Board Foreign Board |

³ Effective March 2019.

China

| Country | Exchange | Segment Name |
|---------|-------------------------|-----------------------------------|
| China | Shanghai Stock Exchange | Main Board |
| | Shenzhen Stock Exchange | Main Board |
| | | Small and Medium Enterprise Board |
| | | ChiNext Board |

Japan

| Country | Exchange | Segment Name |
|---------|----------------------|----------------|
| Japan | Tokyo Stock Exchange | First Section |
| | | Second Section |

Developed Europe

| Country | Exchange | Segment Name |
|-------------|---------------------------|-------------------------------------------------------|
| Austria | Wiener Boerse | Prime Market |
| | | Standard Market |
| Belgium | Euronext Brussels | All Listed Securities |
| Luxembourg | Luxembourg Stock Exchange | All Listed Securities |
| Denmark | NASDAQ Nordic | Large Cap |
| | | Mid Cap |
| | | Small Cap |
| Finland | NASDAQ Nordic | Large Cap |
| | | Mid Cap |
| | | Small Cap |
| France | Euronext Paris | All Listed Securities |
| Germany | XETRA | Regulated Market (General Standard or Prime Standard) |
| Ireland | Euronext Dublin | All Listed Securities |
| Italy | Electronic Share Market | Main Market (MTA)Star |
| | | Market for Investment Vehicles (MIV) |
| | | Special Investment Vehicles (SIV) |
| Netherlands | Euronext Amsterdam | All Listed Securities |
| Norway | Oslo Bors ASA | Oslo Bors |
| | | Oslo Axess |
| Poland | Warsaw Stock Exchange | Minus 5 |
| | | 5 Plus |
| | | 50 Plus |
| | | 250 Plus |
| Portugal | Euronext Lisbon | All Listed Securities |
| Spain | Bolsa de Madrid | Madrid Floor |
| | | Continuous Market |
| Sweden | NASDAQ Nordic | Large Cap |
| | | Mid Cap |
| | | Small Cap |
| Switzerland | SIX Swiss Exchange AG | All Listed Securities |
| UK | London Stock Exchange | Main Market: Premium Listing |
| | | Main Market: Standard Listing |

Emerging Europe

| Country | Exchange | Segment Name |
|----------------|-------------------------|---------------------------------------------------|
| Czech Republic | Prague Stock Exchange | Prime Standard |
| Greece | Athens Exchanges S.A. | General Segment (Main Market) |
| Hungary | Budapest Stock Exchange | Equities Prime Equities Standard Equities T |
| Russia | Moscow Exchange | Equity Capital Market |
| Turkey | Borsa Istanbul | National Market |

Latin America

| Country | Exchange | Segment Name |
|----------|------------------------------|-----------------|
| Brazil | BM&F Bovespa | Official Market |
| Chile | Santiago Stock Exchange | Official Market |
| Colombia | Bolsa de Valores de Colombia | Official Market |
| Mexico | Bolsa Mexicana de Valores | Official Market |
| Peru | Bolsa de Valores de Lima | Official Market |

Middle East & Africa

| Country | Exchange | Segment Name |
|---------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|
| Egypt | Egyptian Exchange | All Listed Securities |
| Israel | Tel Aviv Stock Exchange | All Listed Securities |
| Kuwait | Boursa Kuwait | Premier Market, Main Market |
| Qatar | Qatar Stock Exchange | All Listed Securities |
| Saudi Arabia ⁴ | Tadawul Stock Exchange | Main Market |
| South Africa | Johannesburg Stock Exchange | Main Board |
| UAE | Abu Dhabi Securities Exchange Dubai Financial Market NASDAQ Dubai | Abu Dhabi Securities Exchange Dubai Financial Market NASDAQ |

North America

| Country | Exchange | Segment Name |
|---------|---------------------------------------|---------------------------------------------------------------------------|
| Canada | Toronto Stock Exchange | Official Market |
| USA | New York Stock Exchange NASDAQ | NYSE NYSE American Capital Market Global Select Global Market |

⁴ Saudi Arabia inclusion effective March 2019

IEX
CBOE

Main Board
Main Board



Appendix B: Eligible Classes of Securities

Asia Pacific ex China ex Japan

| Country | Class | Translation |
|-------------|------------|--------------------------------------------------------------------------------------|
| Australia | Ordinary | Ordinary |
| | Preferred | Preferred |
| Hong Kong | Ordinary | Ordinary |
| India | Equity | Equity |
| Indonesia | Ordinary | Ordinary |
| Malaysia | Ordinary | Ordinary *Stocks listed under PN17 are ineligible |
| New Zealand | Ordinary | Ordinary |
| | Preferred | Preferred |
| Pakistan | Ordinary | Ordinary |
| Philippines | Ordinary | Ordinary |
| Singapore | Ordinary | Ordinary *Stocks listed under Watch-list are ineligible |
| South Korea | Ordinary | Ordinary |
| | Preference | Preference *Stocks listed under Administrative Issues are ineligible |
| Taiwan | Ordinary | Ordinary *Altered Trading Method (ATM) stocks are ineligible |
| Thailand | Ordinary | Ordinary |
| | Preferred | Preferred *Stocks listed under Companies facing possible delisting are ineligible |

China

| Country | Class | Translation |
|---------|-----------------------|--------------------------------|
| China | A Shares ⁵ | A Shares (traded in China) B |
| | B Shares | Shares (traded in China) |
| | H Shares | H Shares (traded in Hong Kong) |
| | Red Chip | Red Chip (traded in Hong Kong) |
| | P Chip | P Chip (traded in Hong Kong) |
| | S Chip | S Chip (traded in Singapore) |
| | N Shares | N Shares (traded in USA) |

⁵ A Shares via the Northbound China Stock Connect Scheme Buy-and-Sell List. Effective from June 2019

Developed Europe

| Country | Class | Translation |
|---------------------------|---------------------------------|------------------------------------------------|
| Austria | Namensaktie | Ord Registered |
| | Inhaberaktie | Ord Bearer |
| | Partizipationsschein | Participation Cert. |
| | Vorzugsaktie | Preferred |
| Belgium/Luxembourg | Ordinaire | Ordinary |
| | Action AFV | Fiscal Advantage Share |
| Denmark | "A" aktie | Ordinary Voting |
| | "B" aktie | Limited Voting or Non- Voting |
| Finland | Vapaa Osake | Ordinary Voting |
| | Etuosake | |
| | Vapaa Osake | Limited Voting or Non-Voting |
| France | Action | Ordinary |
| | Action a' dividende prioritaire | Preferred |
| | Certificat d' Investissement | Cert of Investment |
| | Titre participative | Cert of Participation |
| | Fiduciary Depositary Receipts | Fiduciary Depositary Receipts |
| Germany | Stammaktie | Ordinary |
| | Vorzugsaktie | Preferred |
| | Inhaberaktie | Bearer |
| | Namensaktie | Ord Registered |
| Ireland | Ordinary | Ordinary |
| | Preference | Preference |
| Italy | Azione | Ordinary |
| | Azione di Risparmio | Savings (CNV/Non-CNV) |
| | Azione privilegiate | Preferred |
| Netherlands | Aandeel op naam | Registered |
| | Aandeelaantoonder | Bearer |
| | Preference | Preference |
| Norway | "A" aksje | Ordinary Voting |
| | "B" aksje | Limited Voting or Non-Voting |
| Poland | Ordinary | Ordinary |
| | | *Stocks listed under Alert List are ineligible |
| Portugal | Ações ordinárias | Bearer |
| | Ações preferenciais | Preferred |
| | Ações registadas | Registered |
| Spain | Acciones nominativas | Ord Registered |
| | Acciones al portador | Ord Bearer |
| | Acciones Preferentes | Preferred |
| Sweden | "A" aktie | Ordinary Voting |
| | "B" aktie | Limited Voting or Non- Voting |
| | "C" aktie | |
| | "D" aktie | |
| | Preference | Preference |
| Switzerland | Namensaktie | Registered |
| | Inhaberaktie | Bearer |
| | Partizipationsschein | Participation Cert. |
| | Genusschein | Profit sharing Cert. |
| United Kingdom | Ordinary | Ordinary |

Emerging Europe

| Country | Class | Translation |
|---------------------------------------------------------|----------------------------------------|---------------------------------------|
| Czech Republic | Shares | Shares |
| Greece | Κοινη | Common |
| | Ονομαστικη | Registered |
| | Κοινη Ονομαστικη | Common Registered |
| | Κοινη Ανωνυμη | Common Bearer |
| | Προνομιουχοζ Ονομαστικη | Preference Registered |
| | Προνομιουχοζ Ανωνυμη | Preference Bearer |
| | Προνομιουχοζ Ανευ Ψηφων Ονομαστικη | Preferred Non-Voting Right Registered |
| Προνομιουχοζ Μετα Ψηφων Ονομαστικη | Preferred With Voting Right Registered | |
| Hungary | Ordinary | Ordinary |
| | Preference | Preference |
| Russia | Ordinary Stocks | Ordinary Stocks |
| | Preferred | Preferred |
| | International Order Book | International Order Book |
| Turkey | Shares | Shares |
| | Bearer | Bearer |
| *Stocks listed under Watchlist Companies are ineligible | | |

Japan

| Country | Class | Translation |
|---------|--------|-------------|
| Japan | Common | Common |

Latin America

| Country | Class | Translation |
|----------|-----------|-------------|
| Brazil | Ordinary | Ordinary |
| | Preferred | Preferred |
| Chile | Ordinary | Ordinary |
| | Preferred | Preferred |
| Colombia | Ordinary | Ordinary |
| | Preferred | Preferred |
| Mexico | Ordinary | Ordinary |
| Peru | Ordinary | Ordinary |

Middle East & Africa

| Country | Class | Translation |
|---------------------------|------------|-------------|
| Egypt | Ordinary | Ordinary |
| | Preference | Preference |
| Israel | Ordinary | Ordinary |
| | Preference | Preference |
| Kuwait | Ordinary | Ordinary |
| Qatar | Ordinary | Ordinary |
| Saudi Arabia ⁶ | Ordinary | Ordinary |
| South Africa | Ordinary | Ordinary |
| | Preference | Preference |
| UAE | Ordinary | Ordinary |

North America

| Country | Class | Translation |
|---------------|--------|-------------|
| Canada | Common | Common |
| United States | Common | Common |

⁶ Saudi Arabia inclusion effective March 2019



Appendix C: Calculation Schedule

1.0 Normal schedule

- 1.1 The FTSE Global Equity Index Series are calculated once daily at approximately 21:30 - 22:00 London time, shortly after the close of North American securities markets. Selected indexes within the series are calculated on a real time basis, see below.
- 1.2 The Index Series are calculated every weekday, when one or more of the constituent markets are open, however on 1 January, the indexes may not be disseminated. There is no separate calculation to accommodate the Saturday or Sunday opening of any market.

2.0 Real time indexes

Thomson Reuters real time cross exchange rates are used in all calculations during the calculation period, other than for the closing value for each index. The WM/Reuters Closing Spot Rates™ are used in calculating the closing value for each of these indexes. Corporate actions for these indexes are based on the price and exchange rates as applied within the main FTSE Global Equity Index Series.

| Index | Calculation Times* |
|------------------------------------------------------------------------------------|--------------------|
| FTSE Global All-Cap Index | 00:30 to 21:10 |
| FTSE Global All-Cap ex US Index | 00:30 to 21:10 |
| FTSE Global All-Cap ex UK Index | 00:30 to 21:10 |
| FTSE Global All-Cap ex Japan Index | 00:30 to 21:10 |
| FTSE Global All-Cap ex South Africa Index | 00:30 to 21:10 |
| FTSE Asia Pacific All-Cap Index | 00:30 to 21:10 |
| FTSE Asia Pacific All-Cap ex Japan Index | 00:30 to 21:10 |
| FTSE Asia Pacific All-Cap ex Japan, India & Pakistan Index | 00:30 to 21:10 |
| FTSE Asia Pacific All-Cap ex Japan, India, Pakistan, Australia & New Zealand Index | 00:30 to 21:10 |
| FTSE Greater China All-Cap Index | 00:30 to 21:10 |
| FTSE Europe All-Cap Index | 08:00 to 16:30 |
| FTSE Europe All-Cap ex UK Index | 08:00 to 16:30 |
| FTSE Europe All-Cap ex Eurozone Index | 08:00 to 16:30 |
| FTSE Eurozone All-Cap Index | 08:00 to 16:30 |

| Index | Calculation Times* |
|-----------------------------------------------|---------------------------|
| FTSE Developed All-Cap Index | 00:30 to 21:10 |
| FTSE Developed All-Cap ex US Index | 00:30 to 21:10 |
| FTSE Developed All-Cap ex North America Index | 00:30 to 16:30 |
| FTSE Developed All-Cap ex UK Index | 00:30 to 21:10 |
| FTSE Developed All-Cap ex Japan Index | 00:30 to 21:10 |
| FTSE Developed Europe All-Cap Index | 08:00 to 16:30 |
| FTSE Developed Europe All-Cap ex UK Index | 08:00 to 16:30 |
| FTSE Japan All-Cap Index | 00:30 to 06:45 |
| FTSE Emerging All-Cap Index | 00:30 to 21:10 |
| FTSE Emerging Latin America All-Cap Index | 14:30 to 21:10 |
| FTSE Emerging Asia Pacific All-Cap Index | 00:30 to 21:10 |
| FTSE Advanced Emerging All-Cap Index | 00:30 to 21:10 |
| FTSE Secondary Emerging All-Cap Index | 01:00 to 21:10 |

*Note: Timings are UK hours. Indexes that disseminate until 21:10 will have the closing value disseminated at 21:30.

Appendix D: Country Additions and Deletions

Countries were added or deleted from the FTSE Global Equity Index Series after the market close on the following dates:

| FTSE Global Equity Index Series – Country Classification | | | |
|----------------------------------------------------------|-----------------|-------------------|--------------------|
| 31 December 1986 | 1 January 1988 | 30 June 2000 | 18 September 2009 |
| Original 23 countries | Finland | Argentina | South Korea (5) |
| Australia | | Chile | |
| Austria | 1 November 1994 | China | 17 September 2010 |
| Belgium | Brazil | Colombia | Argentina (6) |
| Canada | Thailand | Czech Republic | UAE (7) |
| Denmark | | Egypt | |
| France | 1 July 1996 | Hungary | 17 June 2011 |
| Germany (West) | Indonesia | India | Czech Republic (4) |
| Hong Kong | Philippines | Israel | Malaysia (4) |
| Ireland | | Luxembourg (1) | Turkey (4) |
| Italy | 1 May 1998 | Malaysia (2) | |
| Japan | Greece | Morocco | 16 March 2012 |
| Malaysia | Portugal | Pakistan | Thailand (4) |
| Mexico | | Peru | |
| Netherlands | | Poland | 19 June 2015 |
| New Zealand | | Russia | Morocco (8) |
| 1. Norway | 2. | 3. South Korea | 4. |
| Singapore | | Taiwan | 18 March 2016 |
| South Africa | | Turkey | Greece (9) |
| Spain | | Venezuela | |
| Sweden | | | 16 September 2016 |
| Switzerland | | 2 January 2001 | Qatar (10) |
| United Kingdom | | Greece (5) | |
| United States | | | 21 September 2018 |
| | | 20 June 2003 | Kuwait (11) |
| | | Venezuela (3) | Poland (12) |
| | | 19 September 2008 | 15 March 2019 |
| | | Hungary (4) | Saudi Arabia (13) |
| | | Israel (5) | |
| | | Poland (4) | 21 June 2019 |
| | | | China A (14) |

Country Classification Table Notes

- 1 Added to create Belgium/Luxembourg country index.
- 2 Malaysia was deleted from the then FTSE World Index on 1 October 1998, and was re-included in the FTSE All-World Index Series from inception on 30 June 2000.
- 3 Venezuela deleted from the FTSE Global Equity Index Series at zero value after the close of business on Friday 20 June 2003.
- 4 Czech Republic, Hungary, Malaysia, Poland, Thailand and Turkey country classification changed from Secondary Emerging to Advanced Emerging.
- 5 Greece, Israel and South Korea country classification changed from Advanced Emerging to Developed.
- 6 Argentina country classification changed from Secondary Emerging to Frontier.
- 7 UAE added to the FTSE Global Equity Index Series as Secondary Emerging.
- 8 Morocco country classification changed from Secondary Emerging to Frontier.
- 9 Greece country classification changed from Developed to Advanced Emerging.
- 10 Qatar country classification changed from Frontier to Secondary Emerging. The classification change was implemented in two tranches: the first tranche of 50% was implemented in conjunction with the semi-annual review of FTSE Global Equity Index Series in September 2016 and the second 50% tranche was implemented in conjunction with the March 2017 semi-annual review.
- 11 Kuwait added to the FTSE Global Equity Index Series as Secondary Emerging. The classification change was implemented in two tranches: the first tranche of 50% was implemented in conjunction with the semi-annual review of FTSE Global Equity Index Series in September 2018 and the second 50% tranche was implemented in conjunction with the December 2018 quarterly review.
- 12 Poland country classification changed from Advanced Emerging to Developed.
- 13 Saudi Arabia was added to the FTSE Global Equity Index Series as Secondary Emerging. The classification change will be implemented in five tranches - March 2019, April 2019, June 2019, September 2019 and March 2020
- 14 China A will be added to the FTSE Global Equity Index Series as Secondary Emerging. The classification change will be implemented in three tranches - June 2019, September 2019 and March 2020

Appendix E: Country Classification

Below is a list of the current classification of each country in the FTSE Global Equity Index Series.

| Developed | Advanced Emerging | Secondary Emerging |
|--------------------|-------------------|--------------------|
| Australia | Brazil | Chile |
| Austria | Czech Republic | China |
| Belgium/Luxembourg | Greece | Colombia |
| Canada | Hungary | Egypt |
| Denmark | Malaysia | India |
| Finland | Mexico | Indonesia |
| France | South Africa | Kuwait |
| Germany | Taiwan | Pakistan |
| Hong Kong | Thailand | Peru |
| Ireland | Turkey | Philippines |
| Israel | | Qatar |
| Italy | | Russia |
| Japan | | UAE |
| Netherlands | | |
| New Zealand | | |
| Norway | | |
| Poland | | |
| Portugal | | |
| Singapore | | |
| South Korea | | |
| Spain | | |
| Sweden | | |
| Switzerland | | |
| UK | | |
| USA | | |



Appendix F: Country Indexes

Countries of the FTSE Global Equity Index Series

| | | | |
|--------------------|-----------|-------------|---------------------------|
| Australia | France | Malaysia | Singapore |
| Austria | Germany | Mexico | South Africa ⁷ |
| Belgium/Luxembourg | Greece | Netherlands | South Korea |
| Brazil | Hong Kong | New Zealand | Spain |
| Canada | Hungary | Norway | Sweden |
| Chile | India | Pakistan | Switzerland |
| China | Indonesia | Peru | Taiwan |
| Colombia | Ireland | Philippines | Thailand |
| Czech Republic | Israel | Poland | Turkey |
| Denmark | Italy | Portugal | UAE |
| Egypt | Japan | Qatar | UK |
| Finland | Kuwait | Russia | USA |

⁷ Please note in some circumstances a FTSE South Africa Index derived from the FTSE Global Equity Index Series may be branded as a FTSE/JSE index.



Appendix G: FTSE Russell China Share Descriptions

1.0 FTSE Russell China share descriptions

A Shares⁸, B Shares, H shares, Red Chips, P Chip, S Chips and N Shares are eligible for the FTSE Global Equity Index Series.

2.0 Share Descriptions

For a description of Chinese share classes please see the “Guide to Chinese Share Classes” document which can be accessed using the following link:

[Guide to Chinese Share Classes.pdf](#)

The definitions these share classes are reviewed annually in March effective on the same day as the Global Equity Index Series.

⁸ Effective June 2019.



Appendix H: Further Information

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

[Glossary.pdf](#)

For further information on the FTSE Global Equity Index Series Ground Rules visit www.ftserussell.com or e-mail info@ftserussell.com. Contact details can also be found on this website.

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