

Methodology overview

FTSE
Russell

FTSE Global Micro Cap Index

Targeting coverage of the smallest stocks in the global investable equity market

Identifying investment opportunities in the smallest segment of the global investable equity market

FTSE Russell provides a comprehensive global perspective based on the knowledge gained through developing local benchmarks around the world. Designed using FTSE Russell's expertise and leadership in both global equity and small cap indexes, the FTSE Global Micro Cap Index provides deep representation of the smallest segment of the global investable equity market, rounding out global small cap and total cap allocations as international markets continue to grow and evolve.

Countries included in the FTSE Global Micro Cap Index as of the September 2018 review

Segment	Americas	Asia	Europe	Middle East & Africa	
Developed	Canada USA	Australia Hong Kong Japan Korea New Zealand Singapore	Austria Belgium/ Luxembourg Denmark Finland France Germany Ireland Italy	Netherlands Norway Portugal Spain Sweden Switzerland United Kingdom Poland	Israel
Advanced Emerging	Brazil Mexico	Malaysia Taiwan Thailand	Greece Hungary	Turkey	South Africa
Secondary Emerging	Chile Colombia Peru	China India Indonesia Pakistan Philippines	Russia	Egypt Qatar United Arab Emirates Kuwait	

Benefits

FTSE Global Equity Index Series (GEIS) provides market participants with a series of seamless global equity benchmarks suitable for use as policy benchmarks or as the basis for index-linked products.

Having the option to add global microcap coverage to FTSE GEIS extends the underlying investable universe from which additional indexes such as Smart Beta and Sustainability indexes can be derived.

Features¹

Extends coverage of each of the seven FTSE GEIS regions to over 99%.

Rules-based, transparent approach to index construction.

Governance structure includes a board of internal experts supported by external advisory committees.

Eligible securities are screened for investable weight, liquidity, and surveillance status.

Indexes are reviewed semi-annually in March and September with quarterly updates to shares outstanding and free float adjustments

¹ For more information please see the FTSE Global Equity Index Series Ground Rules on ftserussell.com.

Determining index eligibility at semi-annual review

- Must be assigned to a country classified by FTSE Russell as Developed, Advanced Emerging or Secondary Emerging.
- Must meet all FTSE GEIS eligibility screens (e.g., minimum voting rights, minimum free float, foreign ownership restrictions, etc.).
- Must not be included in the FTSE Global Large, Mid or Small Cap Indexes.
- Must have a minimum investable market cap of \$25 million USD (\$20 million for existing FTSE GEIS constituents).
- Must pass liquidity thresholds based on median daily trading volume per month. Thresholds are applied based on current index membership. 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.

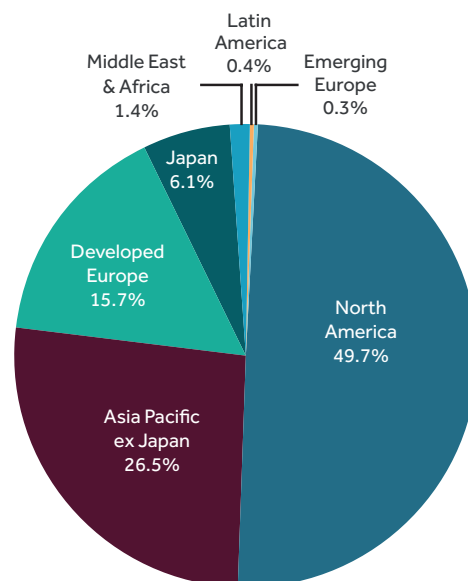
Index characteristics

Attributes	FTSE Global Micro Cap
Net MCap (USDm)	1,255,762
Developed	1,074,164
Emerging	181,598
<i>Advanced Emerging</i>	103,064
<i>Secondary Emerging</i>	78,534
Number of countries*	47
Developed	25
Emerging	22
<i>Advanced Emerging</i>	9
<i>Secondary Emerging</i>	13
Number of constituents	8,458
Developed	5,987
Emerging	2,471
<i>Advanced Emerging</i>	1,435
<i>Secondary Emerging</i>	1,036

Source: FTSE Russell, data as of September 28, 2018.

* While FTSE GEIS covers 48 countries, the FTSE Global Micro Cap Index covers 47, because Czech Republic had no eligible constituents as of the September 2018 review.

Regional breakdown FTSE GEIS regions



Additional indexes that provide global micro cap coverage

FTSE Global Total Cap Index	FTSE Global Small/Micro Cap Index
Aggregate of the FTSE Global Micro Cap Index and the FTSE Global All Cap Index. Extends target coverage of the FTSE Global Equity Index Series (GEIS) to over 99%, capturing the broadest global equity investable opportunity set across both emerging and developed markets.	Aggregate of the FTSE Global Micro Cap Index and FTSE Global Small Cap Index. Suitable for global small cap equity investment specialists researching securities that may become eligible for the FTSE Global Small Cap Index.

For more information about our indexes, please visit ftserussell.com.

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FTSE Russell is a leading global index provider creating and managing a wide range of indexes, data and analytic solutions to meet client needs across asset classes, style and strategies. Covering 98% of the investable market, FTSE Russell indexes offer a true picture of global markets, combined with the specialist knowledge gained from developing local benchmarks around the world.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create investment funds, ETFs, structured products and index-based derivatives. FTSE Russell indexes also provide clients with tools for asset allocation, investment strategy analysis and risk management.

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