



## Variable, Best Efforts and Direct Listing IPOs - FTSE Russell Treatment

23 August 2018

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FTSE Russell would like to inform clients of the following treatment in FTSE Russell indexes which is effective immediately.

Variable and best effort IPOs will not be considered for fast entry inclusion since FTSE Russell would be: 1) unable to confirm if the minimum free float requirement has been met; and 2) 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, in advance, of the number of shares that will be made available at the time of listing (e.g. specific holders have publicly disclosed a commitment to sell a number of shares). If there is no disclosure in advance, the company will not be considered as a potential fast entry addition.

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 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 review.

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

Updated Ground Rules will be available on the FTSE Russell website: [www.ftserussell.com](http://www.ftserussell.com)

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