



## FTSE RAFI Index Series - Ground Rule Update

28 February 2019

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FTSE Russell would like to inform clients of the following update to the FTSE RAFI Index Series.

From 18 March 2019, FTSE Russell will change the methodology used to calculate the Weight Adjustment Factor (WAF) used in the FTSE RAFI Index Series. Currently, the WAF is calculated by dividing the investable RAFI fundamental value of each constituent by its investable market capitalisation. From 18 March 2019, the WAF will instead be calculated by dividing the investable RAFI fundamental weight of each constituent by its investable market capitalisation weight.

This change will align the WAF calculation in the FTSE RAFI Index Series with that used in the FTSE RAFI QSR Index Series. The change will not impact a constituent's weight in the index series but clients will see an increase in the WAFs and index shares included in index product files starting with the indicative review files delivered today, 28 February 2019.

The FTSE RAFI Index Series will also no longer remove securities intra-review except in those circumstances that lead to their removal from the corresponding underlying index (as set out in the FTSE RAFI Index Series Ground Rules).

An updated copy of the FTSE RAFI Index Series Ground Rules (v4.0) will be published shortly.

For further information please contact FTSE Russell Client Services at [info@ftserussell.com](mailto:info@ftserussell.com).

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For further information please contact FTSE Russell Client Services at [info@ftserussell.com](mailto:info@ftserussell.com) or call:

Australia	+1800 653 680
Hong Kong	+852 2164 3333
Japan	+81 3 4563 6346
London	+44 (0) 20 7866 1810
New York	+1866 551 0617

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