

FTSE Russia IOB Index - Ground Rule Update

28 March 2019

FTSE Russell would like to inform clients of the following updates to the FTSE Russia IOB Index effective immediately:

Section 5: Periodic Review of Constituents (**update in bold**)

5.3 Liquidity Rule

- 1.1.1 The liquidity rule is applied after taking into account the constituents' free float adjusted weightings and the relevant prospective capped weightings.
- 1.1.2 An average daily market value traded is calculated for each eligible universe company over the previous six months prior to the date of the review.
- 1.1.3 Securities must be sufficiently liquid to be traded. Constituents that prevent the Index from trading **US\$140** million within less than one day will fail the liquidity rule and be excluded. For example, if a constituent does not trade its proportion of the **US\$140** million to their relevant Index weighting within less than one trading day, it will fail the liquidity test and be considered ineligible for Index inclusion. Where a constituent fails the liquidity rule the next highest ranking stock by full market capitalisation is added and the process is repeated until the liquidity rule is passed and the 15 constituents have been selected.
- 1.1.4 Please note that for New Issues, the first 5 trading days will not be included in the daily average market value traded figure.
- 1.1.5 In exceptional market conditions, if trading volumes are very low, FTSE Russell may reduce the trading figure in order to avoid a large number of constituents being removed from the FTSE Russia IOB Index. This discretion may not be applied to individual companies. If FTSE Russell intends to exercise this discretion, it must make a public statement to that effect prior to the periodic review implementation.

An updated copy of the FTSE Russia IOB Index Ground Rules (v3.1) is now available using the following link: www.ftse.com/products/downloads/FTSE_Russia_IOB_Index.pdf

Or on the FTSE Russell website: www.ftserussell.com

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