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FTSE Infrastructure Index Series – Ground Rule Update

23 May 2024

FTSE Russell would like to inform clients of the following updates to the FTSE Infrastructure Index Series Ground Rules, effective with the September 2024 index review.

Section 4: Eligible securities

Addition of subsectors to the FTSE Global, Developed and Emerging Infrastructure Opportunities Indices will be made of all the Core Subsectors plus the Infrastructure-related Subsectors mentioned below.

35102070	Specialty REITs	REITs that primarily invest in any single type of facility or property not specifically defined within another REITs industry
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Section 6: Capping of the FTSE Core Infrastructure 50/50 Index and Capped Indices

Rule 6.5.5. (3) has been updated as follows

New Rule

Within the Transportation group the combined index weights of the ICB subsectors Railroads and Travel & Tourism will be adjusted to 12.5% of the index weight. The ICB subsectors Construction and Transportation Services will be adjusted to 17.5% of the index weight. Company weights within each group are adjusted in proportion to their investable market capitalisation.

Old Rule

Within the Transportation group the combined index weights of the ICB subsectors Railroads and Travel & Tourism will be adjusted to 7.5% of the index weight. The ICB subsectors Construction and Transportation Services will be adjusted to 22.5% of the index weight. Company weights within each group are adjusted in proportion to their investable market capitalisation.

Appendix A: Included and excluded businesses - updates in bold below

Energy Core Infrastructure

Companies that own, manage or operate oil, gas or water pipelines or electricity transmission/**distribution** networks.

Includes

Companies engaged in electricity generation through any method, including but not limited to the burning of fossil fuels such as coal, petroleum, and natural gas, as well as through nuclear energy or renewable sources like wind, solar, and hydroelectric power. These companies must be regulated utilities, which possess the ability to pass through cost increases to consumers. Companies that distribute or transmit electricity. Companies that own or operate utility operating companies, especially systems providing electricity to homes and businesses that are included in this ICB category and not mentioned in the bullets above.
Companies involved in the operation of pipelines that

Excludes

Water treatment plants. Trade associations for companies in this sector.

transport energy-related commodities, including but not limited to oil and gas across various distances including storage, as well as companies that distribute oil and gas directly to homes and businesses via a distribution pipeline network.

Companies that transport treated water to homes, businesses, and industries through a network of pipes, pumps, and reservoirs.

Telecommunications Core Infrastructure

Companies that own, manage or operate **or lease to others wired or wireless data and communication transmission networks, towers and satellites.**

Includes

- Companies that own, manage or operate wireless transmission towers or which lease them to others.
- Companies that own, manage or operate transmission satellites or which lease them to others.
- **Companies that own, manage or operate infrastructure communication networks, including but not limited to copper based cable, undersea cable, microwave transmission and fibre optic networks**

Excludes

- Companies that manufacture and distribute equipment used in the creation of wired, wireless or satellite networks.
 - Companies that provide data, information or content (media).
 - Internet service providers.
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Infrastructure-related Materials & Engineering

Companies that provide support services and materials to builders of infrastructure facilities (i.e. ports, roads, bridges, tunnels, etc.). Such services and products would include surveying and engineering, cement, asphalt, steel, aluminium, etc. Such companies are included to the extent that they sell their products or services for use in infrastructure facilities.

Includes

- Companies that provide services to companies involved in constructing infrastructure facilities, such as surveying and engineering consulting.
- Companies that manufacture and distribute aluminium bars, rods and similar products for use in infrastructure facilities.
- Companies that manufacture and distribute iron and steel products, such as pipes, sheets, bars, I-beams and similar products for use in infrastructure facilities.
- Companies that produce materials used in the construction of infrastructure facilities, such as cement and asphalt.
- Companies that provide long-term engineering support to builders of infrastructure.
- Companies that provide road/highway engineering, transportation planning, waste and environmental management, water supply and treatment, etc.
- **Companies that produce advanced materials (e.g. titanium, ceramics, alloys, etc.) used in the construction of infrastructure facilities.**

Excludes

- Companies that provide building materials such as building fixtures, paint and glass.
 - Trade associations for companies in the road/highway engineering, transportation planning, waste and environmental management, water supply and treatment businesses.
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Infrastructure-related Communications Services

Companies that provide fixed and mobile telecommunication and related services.

Includes

- Companies selling land-line and mobile telephones and accessories, cellular, paging, long distance, data, and internet services, pre-paid calling cards, text

Excludes

- Companies that own, manage or operate land-based, tower-and-wire transmission data and/or communications networks.
 - Companies that own/operate wired
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messaging, mobile office access for business customers, companies offering unlimited wireless voice and data services to the mass market, **companies offering data center services.**

transmission towers and lease them to other service providers. • Companies that own, manage or operate mobile or satellite data and/or communications networks.

- Companies that own/operate wireless transmission towers and lease them to other service providers.
- Companies owning/operating transmission satellites.

An updated copy of the FTSE Infrastructure Index Series Ground Rules (v3.8) is now available using the following link: [infrastructure-index-series-ground-rules.pdf](#)

Or on the FTSE Russell website: www.lseg.com/en/ftse-russell

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