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## Guide to Calculation Method for UK Index Series Median Liquidity Test – Ground Rule Update

24 October 2024

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FTSE Russell would like to inform clients of the following update to the Guide to Calculation Method for the UK Index Series Median Liquidity. This update is effective immediately.

### Section2: Liquidity screening process

#### 2.1.4 Nationality assignment (update in bold below)

For the avoidance of doubt, country of greatest liquidity is determined by comparing each of the monthly median liquidity test % results (as detailed in section 3.2 below), country A vs country B, for a 12-month testing period. For illustration purposes only, if the testing period is January to December, the test looks at how many of those months country A had a greater monthly median liquidity test % result when compared against that of country B. Nationality will be assigned to the country which exhibits the greatest liquidity test % result in the most number of months.

Please note: If as a result of the above, there is an even split (e.g. each country has 6 months where it exhibits greatest monthly median liquidity % when tested over a 12-month testing period), the following treatment shall apply:

- an existing constituent will retain its current nationality.
- a new issue or newly eligible company will have its nationality assignment based on the country which exhibits the greatest liquidity using the latest three months of volume data. **Please note that this also applies to a constituent company being assessed for nationality under rule 5.1.10 of the FTSE UK Index Series.**

An updated copy of the Guide to Calculation Methods for UK Liquidity (v2.9) is now available using the following link: [guide-to-calculation-methods-for-uk-liquidity.pdf](#)

Or on the FTSE Russell website: [www.lseg.com/en/ftse-russell](http://www.lseg.com/en/ftse-russell)

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