

## Industry Classification Benchmark (ICB) (Equity) - Update

24 June 2021

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FTSE Russell would like to inform clients of the following update to the new Industry Classification Benchmark Ground Rules which is effective immediately:

### Section 4: Classification Guidelines (update in bold)

- 4.2.4 Companies which are classified as ICB Subsectors Closed End Investments and Open End and Miscellaneous Investment Vehicles are classified based on their structure and not the source of the company's revenue. **Additionally, investment holding companies will be assigned an ICB classification based on their investment objective. Where the investment holding company is deemed to hold controlling interests in companies, the ICB will either be assigned to Diversified Financial Services or where there is a single investment theme (e.g. infrastructure, property, biotechnology), to the subsector which it represents. Where the investment holding company is deemed to hold non-controlling interests, the company will be treated akin to an investment trust and assigned an ICB of Closed End Investments.**

**Please refer to Appendix A for further details.**

### Section 6: Structure and Definitions

- 6.4 - Definition of Diversified Financial Services has been updated as follows

Companies providing a diversified range of services such as investment banking, trading, and asset management. Diversified Investment Holding companies engaged in acquiring equity stake of securities are also classified in this group.

### Addition of Appendix A: Collective Investment Schemes

Appendix A has been added to the Ground Rules and includes a flow chart for collective investment vehicles and a definition of "controlling" stake.

Addition of Appendix B: REIT and REIT equivalent company structures

An updated copy of the Industry Classification Benchmark (Equity) Ground Rules (v3.8) is now available using the following link: [ICB\\_Rules\\_new.pdf](#)

Or on the FTSE Russell website: [www.ftserussell.com](http://www.ftserussell.com)



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