

FTSE Global 100 Index

v3.8



Contents

Section 1 Introduction	3
Section 2 Management responsibilities	4
Section 3 FTSE Russell Index policies	5
Section 4 Eligible securities	7
Section 5 Index qualification criteria	8
Section 6 Periodic review of constituents	9
Section 7 Changes to constituent companies.....	10
Appendix A Index algorithm and calculation method.....	11
Appendix B Index opening and closing hours.....	12
Appendix C Further information	13

Section 1

Introduction

1. Introduction

- 1.1 This document sets out the Ground Rules for the construction and management of the FTSE Global 100 Index by FTSE Russell. Copies of these Ground Rules are available from FTSE Russell.
- 1.2 The FTSE Global 100 Index is designed as a tradable index on which retail funds and derivatives can be based.
- 1.3 The FTSE Global 100 Index comprises the top 100 companies by full market capitalisation that are constituents of the FTSE Multinational Index.
- 1.4 The FTSE Global 100 Index will be calculated as an end-of-day index in US Dollars only.
- 1.5 Capital and total return indices are available. The total return index includes income based on ex-dividend adjustments.
- 1.6 The FTSE Global 100 Index Series does not take account of ESG factors in its design.
- 1.7 **FTSE Russell**

FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and FTSE Fixed Income Europe Limited), FTSE Fixed Income LLC, FTSE (Beijing) Consulting Limited, Refinitiv Benchmark Services (UK) Limited, Refinitiv Limited and Beyond Ratings.
- 1.8 FTSE Russell hereby notifies users of the index series that it is possible that circumstances, including external events beyond the control of FTSE Russell, may necessitate changes to, or the cessation, of the index series and therefore any financial contracts or other financial instruments that reference the index series or investment funds which use the index to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index series.
- 1.9 Index users who choose to follow this index series or to buy products that claim to follow this index series should assess the merits of the index's rules-based methodology and take independent investment advice before investing their own or client funds. No liability whether as a result of negligence or otherwise is accepted by FTSE Russell for any losses, damages, claims and expenses suffered by any person as a result of:
 - any reliance on these Ground Rules;
 - any inaccuracies in these Ground Rules;
 - any non-application or misapplication of the policies or procedures described in these Ground Rules;
 - any inaccuracies in the compilation of the index or any constituent data.

Section 2

Management responsibilities

2. Management responsibilities

2.1 FTSE International Limited (FTSE)

FTSE is the benchmark administrator of the index¹.

- 2.2 FTSE is responsible for the daily calculation, production and operation of the FTSE Global 100 Index and will:
- maintain records of the index weightings of all constituents;
 - make changes to the constituents and their weightings in accordance with the Ground Rules;
 - carry out the periodic index reviews of the index series and apply the changes resulting from the reviews as required by the Ground Rules;
 - publicise changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews; and
 - disseminate the indices.

2.2.1 FTSE may also approve changes to the Ground Rules subject to the same rules governing the FTSE All-World Index.

2.3 Amendments to these Ground Rules

- 2.3.1 These Ground Rules shall be subject to regular review (at least once a year) by FTSE Russell to ensure that they continue to best reflect the aims of the index. Any proposals for significant amendments to these Ground Rules will be subject to consultation with FTSE Russell advisory committees and other stakeholders if appropriate. The feedback from these consultations will be considered by the FTSE Russell Index governance board before approval is granted.

¹ The term administrator is used in this document in the same sense as it is defined in [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).

Section 3

FTSE Russell index policies

3. FTSE Russell index policies

These Ground Rules should be read in conjunction with the following policy documents, which can be accessed using the links below:

3.1 Statement of Principles for FTSE Russell Equity Indices (the Statement of Principles)

Indices need to keep abreast of changing markets and the Ground Rules cannot anticipate every eventuality. Where the rules do not fully cover a specific event or development, FTSE Russell will determine the appropriate treatment by reference to the Statement of Principles, which summarises the ethos underlying FTSE Russell's approach to index construction. The Statement of Principles is reviewed annually and any changes proposed by FTSE Russell are presented to the FTSE Russell Policy advisory board for discussion before approval by the FTSE Russell Index governance board.

The Statement of Principles can be accessed using the following link:

[Statement_of_Principles.pdf](#)

3.2 Querie and, Complaints

FTSE Russell's complaints procedure can be accessed using the following link:

[Benchmark_Determination_Complaints_Handling_Policy.pdf](#)

3.3 Index Policy for Trading Halts and Market Closures

3.3.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:

[Index_Policy_for_Trading_Halts_and_Market_Closures.pdf](#)

3.4 Index Policy in the Event Clients are Unable to Trade a Market or a Security

3.4.1 Details of FTSE Russell's treatment can be accessed using the following link:

[Index_Policy_in_the_Event_Clients_are_Unable_to_Trade_a_Market_or_a_Security.pdf](#)

3.5 Recalculation Policy and Guidelines

3.5.1 Where an inaccuracy is identified, FTSE Russell will follow the steps set out in the FTSE Russell Index recalculation guidelines when determining whether an index or index series should be recalculated and/or associated data products reissued. Users of the FTSE Global 100 Index will be notified through appropriate media.

For further information refer to the FTSE Russell Recalculation Policy and Guidelines document, which is available from the FTSE Russell website using the link below or by contacting info@ftserussell.com.

[Recalculation_Policy_and_Guidelines_Equity_Indices.pdf](#)

3.6 Policy for Benchmark Methodology Changes

3.6.1 Details of FTSE Russell's policy for making benchmark methodology changes can be accessed using the following link:

[Policy for Benchmark Methodology Changes.pdf](#)

3.7 FTSE Russell Governance Framework

3.7.1 To oversee its indices, FTSE Russell employs a governance framework that encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defence risk management framework and is designed to meet the requirements of the IOSCO Principles for Financial Benchmarks², the European benchmark regulation³ and the UK benchmark regulation⁴. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

3.8 Real Time Status Definitions

3.8.1 Please refer to the following guide for details of real time status definitions for indices which are calculated in real time.

[Real Time Status Definitions.pdf](#)

² IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013.

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

⁴ The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019.

Section 4

Eligible securities

4. Eligible securities

- 4.1 Only securities that are current constituents of the FTSE Multinational Index are eligible for the FTSE Global 100 Index. All constituents of the FTSE Multinational Index are current constituents of the FTSE Developed Index.
- 4.2 The top 100 companies of the FTSE Multinational Index are chosen based on their full market capitalisation i.e. before the application of any investability weightings to form the FTSE Global 100 Index, subject to the rules contained in sections 6 and 7 of these Ground Rules.
- 4.3 If a company selected under rule 4.2 has multiple lines of securities that are constituents of the FTSE Multinational Index, these multiple lines will also be constituents of the FTSE Global 100 Index.
- 4.4 The share and investability weightings of an individual constituent will be the same as in the FTSE Multinational Index.
- 4.5 Ground Rules for the FTSE Global Equity Index Series and the FTSE Multinational Index are available from FTSE Russell.

Section 5

Index qualification criteria

5. Index qualification criteria

5.1 Companies included in the FTSE Global 100 must all be current constituents of the FTSE Multinational Index.

Section 6

Periodic review of constituents

6. Periodic review of constituents

- 6.1 The rules for inserting and deleting securities at the periodic review are designed to provide stability in the selection of the constituents of the FTSE Global 100 Index while ensuring that the index continues to be representative of the market by including or excluding those securities that have risen or fallen significantly.
- 6.2 The FTSE Global 100 Index is reviewed quarterly in March, June, September and December.
- 6.2.1 In September, the annual FTSE Multinational Index review is conducted and securities assigned multinational status as part of the September annual FTSE Multination Index review are then reviewed for the FTSE Global 100 Index based on data from the close of business on the Monday four weeks prior to the review effective date.
- 6.2.2 In March, June and December the FTSE Global 100 Index review is based on data from the close of business of the FTSE Multinational Index calculation on the Monday four weeks prior to the review effective date.
- 6.3 Changes arising from the periodic reviews will be implemented after the close of business on the third Friday (i.e. effective Monday) in March, June, September and December.
- 6.4 All eligible securities will be ranked by their full market capitalisation i.e. before the application of any investability weightings, based on data from the close of the index calculation, on the Monday four weeks prior to the review effective date.
- 6.5 A company will be added to the index at the periodic review if it rises to 90th or above in the list of eligible securities.
- 6.6 A company will be deleted from the index at the periodic review if it falls to 111th or below in the list of eligible securities.
- 6.7 Where a greater number of securities qualify to be included in the index than those qualifying to be removed, the lowest-ranking securities presently included in the index will be removed to ensure that the number of securities remains constant. Likewise, where a greater number of securities qualify to be removed from the index than those qualifying for inclusion, the highest-ranking securities that are presently not in the index will be included to match the number of securities being removed at the periodic review.
- 6.8 Details of the outcome of the reviews will be published as soon as possible after the review.
- 6.9 The six highest-ranking non-constituents of the FTSE Global 100 Index at the time of the periodic review will also be published. This reserve list will be used if one or more constituents are deleted from the FTSE Global 100 Index during the period up to the next quarterly review.
- 6.10 Where a company is deleted after the periodic changes to the index have been announced, but before the periodic changes have been implemented, the highest-ranking company from the new reserve list (see rule 7.1.2), excluding current index constituents, will replace the deleted company.

Section 7

Changes to constituent companies

7. Changes to constituent companies

7.1 Removal

- 7.1.1 If a constituent ceases to be a constituent of the FTSE Multinational Index, it will also be removed from the FTSE Global 100 Index. The removal will be concurrent with its removal from the FTSE Multinational Index.
- 7.1.2 When a stock is removed, it will be replaced by the highest-ranking company eligible in the reserve list as at the close of the index calculation two days prior to the deletion. Inclusion of the replacement will be concurrent with the removal of the constituent.

7.2 Additions

- 7.2.1 If a constituent is added to the FTSE Multinational Index, it may also be eligible to be included in the FTSE Global 100 Index subject to rule 7.3.1. The inclusion in the FTSE Global 100 Index will be concurrent with its inclusion in the FTSE Multinational Index.
- 7.2.2 When a stock is added to the FTSE Global 100 Index, the company that is the lowest-ranking constituent will be removed from the index.

7.3 New issues

- 7.3.1 A fast entry into the FTSE Developed Index may also be a fast entry into the FTSE Multinational Index Series. Likewise fast entries into the FTSE Multinational Index Series will be eligible to become fast entries into the FTSE Global 100 Index provided that when added to the FTSE Multinational Index Series the company ranks 90th or above. The fast entry constituent will be added to the FTSE Global 100 Index concurrently with its inclusion in the FTSE Multinational Index.

Appendix A

Index algorithm and calculation method

The FTSE Global 100 Index is calculated using the following formula:

$$\sum_{i=1}^N \frac{(p_i \times e_i \times s_i \times f_i)}{d}$$

Where:

- $i=1,2,\dots,N$;
- N is the number of securities in the index;
- p_i is the latest trade price of the component security (or the price at the close of the index on the previous day);
- e_i is the exchange rate required to convert the security's currency into the index's base currency;
- s_i is the number of shares in issue used by FTSE Russell for the security, as defined in these Ground Rules;
- f_i is the Investability weighting factor to be applied to a security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float. This factor is published by FTSE Russell for each security in the underlying index; and
- d is the divisor, a figure that represents the total issued share capital of the index at the base date. The divisor can be adjusted to allow changes in the issued share capital of individual securities to be made without distorting the index.

Appendix B

Index opening and closing hours

Index	Open	Close
FTSE Global 100 Index	02:00	21:10

Closing values will be disseminated at 21:30.

Timings are UK hours.

During real-time calculation, Refinitiv Spot rates are used in calculating foreign exchange rates. End-of-day indices are calculated using the WM/Refinitiv Closing Spot Rates™, compiled by The WM Company.

Appendix C

Further information

A Glossary of Terms used in FTSE Russell's Ground Rule documents can be found using the following link:

[Glossary.pdf](#)

Further information on the FTSE Global 100 Index is available from FTSE Russell.

For contact details please visit the FTSE Russell website or contact FTSE Russell client services at info@ftserussell.com.

Website: www.lseg.com/en/ftse-russell/

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