

FTSE Global Style Index Series

v1.8



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Section 1

Introduction

1. Introduction

- 1.1 This document sets out the Ground Rules for the construction and management of the FTSE Global Style Index Series.
- 1.2 The FTSE Global Style Index Series is designed to reflect the performance of securities exhibiting Value and Growth characteristics.
- 1.3 The FTSE Global Style Index Series consists of Value and Growth indices on a global, regional and country basis.
- 1.4 The FTSE Global Style Index Series does not take account of ESG factors in its index design.
- 1.5 These Ground Rules should be read in conjunction with the FTSE Global Equity Index Series Ground Rules and the FTSE China A All Cap Index Series Ground Rules which are available at www.lseg.com/en/ftse-russell/. Unless stated in these Ground Rules, the FTSE Global Style Index Series will follow the same process as the FTSE Global Equity Index Series.
- 1.6 Price and Total Return Indices will be calculated on an end of day basis.
- Total return indices include income based on ex dividend adjustments. All dividends are applied as declared in FTSE total return indices.
- 1.7 The base currency of the benchmark is US Dollars. Index values may also be published in other currencies.
- 1.8 FTSE Russell**
- 1.8.1 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.
- 1.8.2 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 series to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index series.
- 1.8.3 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 series 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 (or any person concerned with the preparation or publication of these Ground Rules) for any losses, damages, claims and expenses suffered by any person as a result of:
- any reliance on these Ground Rules, and/or
 - any inaccuracies in these Ground Rules, and/or
 - any non-application or misapplication of the policies or procedures described in these Ground Rules, and/or
 - any inaccuracies in the compilation of the index series or any constituent data.

Section 2

Management responsibilities

2. Management responsibilities

2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series.¹

2.1.2 FTSE is responsible for the daily calculation, production and operation of the Index Series 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 periodic index reviews of the Index Series and apply the changes resulting from the reviews as required by the Ground Rules;
- publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews;
- disseminate the indices.

2.2 Amendments to these Ground Rules

2.2.1 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.

2.2.2 As provided for in the Statement of Principles for FTSE Russell Equity Indices, where FTSE Russell determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the Statement of Principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules, or to set a precedent for future action, but FTSE Russell will consider whether the Ground Rules should subsequently be updated to provide greater clarity.

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 Corporate Actions and Events Guide

3.2 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link:

[Corporate Actions and Events Guide.pdf](#)

3.3 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 Ground 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 FTSE Russell's Index Governance Board.

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

[Statement of Principles.pdf](#)

3.4 Queries and Complaints

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

[Benchmark Determination Complaints Handling Policy.pdf](#)

3.5 Index Policy for Trading Halts and Market Closures

3.5.1 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](#)

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

3.6.1 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](#)

3.7 Recalculation Policy and Guidelines

3.7.1 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 Style Index Series 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](#)

3.8 Policy for Benchmark Methodology Changes

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

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

3.9 FTSE Russell Governance Framework

3.9.1 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](#)

3.10 Real Time Status Definitions

3.10.1 For indices that are calculated in real time, please refer to the following guide for details of real time status definitions:

[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 The eligible securities of each style index are the constituents of the underlying index defined by the universe listed in the table below:

Universe	FTSE Global Style Index
FTSE Global All Cap Index	FTSE All-World Style indices
FTSE Greater China Large Cap Index	FTSE Greater China Large Cap Style indices
FTSE BIVA Index	FTSE BIVA Style indices
FTSE China A All Cap Index	FTSE China A 200 Style indices FTSE China A 600 Style indices

4.2 Multiple lines

All lines of the same company that are eligible securities are eligible for inclusion in the relevant style indices.

Section 5

Index construction

5. Determining style

5.1 FTSE Russell uses the book-to-price (B/P) ratio to determine Value. To determine Growth, forecast growth in earnings per share over the next two financial years (EPS growth) and historical sales per share growth (SPS growth) using the latest six years of growth data are used. The fundamental data and EPS forecasts are sourced from third party providers. The data cut-off date is the last business day of the month prior to the review month.

B/P Ratio

5.2 The B/P ratio is common equity per share divided by price at the data cut-off date. Common equity is as reported as of the most recent interim or annual fiscal year end, adjusted to exclude minority interests and preferred stock. Common equity is allocated across different share classes in proportion to the aggregate nominal value of each share class. The treatment of negative B/P ratios is explained in Rule 5.7.

EPS Growth

5.3 EPS growth is calculated as the two year forecast EPS relative to the latest actual EPS. If the latest actual EPS is negative or zero, EPS growth is not calculated and is treated as missing (see Rule 5.7).

SPS Growth

5.4 SPS growth requires 24 consecutive quarters of actual sales per share data prior to the data cut-off date. If data for any of the 24 quarters are not available, six years of annual data is used instead of quarterly data.

5.4.1 A log linear regression is used to determine SPS growth if all sales per share are positive:

$$\log_{10}(y_t) = \alpha + \beta \times t + \varepsilon_t,$$

where:

y_t is quarterly (or, if applicable, six annual) sales per share.

t is a time trend ranging from 1 to 24 for quarterly sales per share (1 to 6 for annual).

If quarterly sales per share data is used:

$$SPS\ growth = 100 \times (10^{(4 \times \hat{\beta})} - 1)$$

where $\hat{\beta}$ is the estimated slope coefficient, β .

If annual sales per share data is used:

$$SPS\ growth = 100 \times (10^{\hat{\beta}} - 1)$$

5.4.2 If at least one sales per share observation is zero, the following linear regression is used to determine SPS growth:

$$y_t = \alpha + \beta \times t + \varepsilon_t,$$

where:

y_t is quarterly (or, if applicable, six annual) sales per share.

t is a time trend ranging from 1 to 24 for quarterly sales per share(1 to 6 for annual).

$\hat{\alpha}$ is the estimated coefficient α .

$\hat{\beta}$ is the estimated coefficient β .

n is the total number of observations ($n = 24$ for quarterly data, and $n = 6$ for annual data).

Both $y_{t=1}$ and $y_{t=n}$ must be positive, otherwise SPS Growth is not estimated and treated as missing. Then

$$\hat{y}_{t=1} = \hat{\alpha} + \hat{\beta}$$

$$\hat{y}_{t=n} = \hat{\alpha} + n \times \hat{\beta}$$

If sales per share data is quarterly:

$$SPS\ growth = 400 \times \left[\left(\frac{\hat{y}_{t=n}}{\hat{y}_{t=1}} \right)^{\frac{1}{n-1}} - 1 \right]$$

If sales per share data is annual:

$$SPS\ growth = 100 \times \left[\left(\frac{\hat{y}_{t=n}}{\hat{y}_{t=1}} \right)^{\frac{1}{n-1}} - 1 \right]$$

5.5 Calculation of Value and Growth probabilities

5.5.1 A security level score for each variable is calculated using the non-linear probability algorithm (see Rule 5.6) with 0.1, 0.5 and 0.9 cap-weighted percentiles.

5.5.2 Each security is assigned a Value probability, based on its B/P ratio, EPS growth, and SPS growth. A security's Growth probability is equal to one minus the Value probability.

5.5.3 The determination of Growth and Value probabilities is applied as follow:

Example indices	Underlying universe	Determination of Growth & Value probabilities
<ul style="list-style-type: none"> FTSE All-World Style indices FTSE Greater China Large Cap Style indices FTSE BIVA Style indices 	FTSE Global All Cap Index	Probabilities determined independently for large- and mid-cap securities in the FTSE All-World Index vs. the small-cap securities in the FTSE Global Small Cap Index
<ul style="list-style-type: none"> FTSE China A 200 Style indices FTSE China A 600 Style indices 	FTSE China A All Cap Index	Probabilities determined based on FTSE China A All Cap Index

* Example indices do not represent full set of FTSE Global Style Indices available under this index series.

5.5.4 The calculation of Value and Growth probabilities uses the non-linear probability algorithm described in Rule 5.6.

5.5.5 Securities with missing or negative B/P ratios are assigned B/P Value scores using the missing score algorithm. Securities with missing SPS or EPS growth rates are assigned an SPS or EPS Growth score using the missing score algorithm. The missing score algorithm is described in Rule 5.7.

5.5.6 A weighted EPS Growth score is calculated for securities covered by fewer than three analysts.

For securities covered by a single analyst: 1/3 of the security's EPS Growth score is added to 2/3 of the mean EPS Growth score of the relevant peer group.

For securities covered by 2 analysts: 2/3 of the EPS Growth score is added to 1/3 of the mean EPS growth score of the relevant peer group.

Except for FTSE China A 200 Style and FTSE China A 600 Style indices, the relevant peer group consists of the lowest country level ICB category (i.e. sub-sector, sector, super-sector or industry) and Size matched category consisting of a minimum of 5 securities. Size is matched to either large and mid-caps (FTSE All-World) or small caps (FTSE Global Small Cap).

If all country ICB Size groupings contain fewer than five securities, the process is repeated at global level, i.e. the peer group is either the lowest FTSE All-World ICB category or the lowest FTSE Global Small Cap ICB category containing at least 5 securities.

Where there continues to be fewer than five securities the relevant security is assigned a score of 0.5.

For FTSE China A 200 Style and FTSE China A 600 Style indices, the peer group is the lowest ICB category within the FTSE China A All Cap Index. No size matching is needed.

5.5.7 The calculation of the peer group mean EPS growth score excludes securities with EPS growth scores assigned using the missing score algorithm.

5.5.8 The Composite Value Score (CVS) of each security is calculated as

$$CVS = \frac{BP \text{ Value Score} + 1 - 0.5(EPG \text{ Growth Score} + SPS \text{ Growth Score})}{2}$$

A lower CVS is indicative of stronger Growth characteristics; a security with a higher CVS is considered to exhibit stronger Value characteristics.

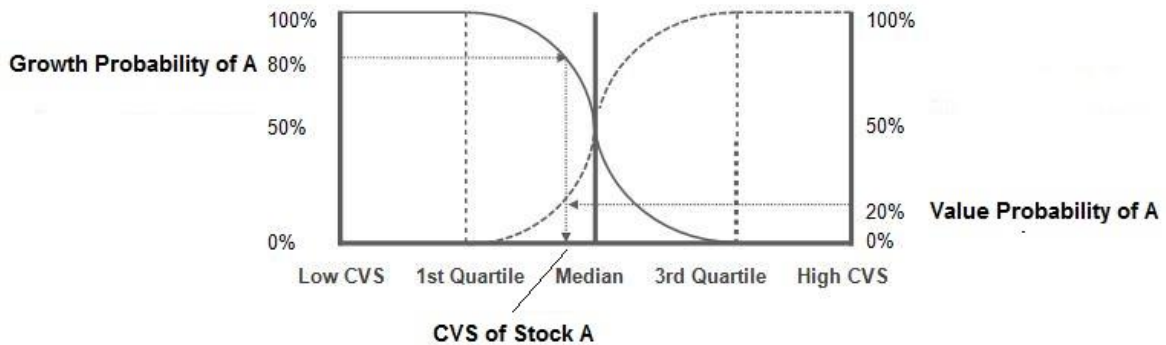
5.5.9 If a security's absolute CVS change from the previous review is ≤ 0.1 , then the CVS remains unchanged. Note that keeping the CVS unchanged does not necessarily mean that the Value probability will remain unchanged.

5.5.10 The Value probability for each security is calculated by applying the non-linear probability algorithm to the CVS. The Growth probability of a security is calculated as one minus its Value probability.

5.5.11 Figure 1 (below) illustrates the conversion of CVS to Value probabilities using the non-linear probability algorithm. The percentile breaks are calculated so that approximately 25% of the investable market capitalisation lies in each quartile. Securities with a median CVS have a 50% allocation to each style index. Securities with a CVS below the first quartile are allocated 100% to the Growth index. Securities with a CVS above the third quartile are allocated 100% to the Value index. Securities falling between the first and third quartiles are allocated to both indices to varying degrees, depending on how far they are above or below the median CVS.

5.5.12 If a security's Value or Growth probability is greater than 95%, it is increased to 100% to eliminate small weightings.

Figure 1: Non-linear probability function for index position weights



5.6 Non-linear probability algorithm

5.6.1 The algorithm has three input variables:

- X : A security characteristic (e.g. B/P ratio, EPS growth, SPS growth or CVS)
- $Mcap$: Investable market capitalization in USD
- PL , PM and PU : Probability percentiles, where $0 < PL < PM < PU < 1$, for example (0.25, 0.50, 0.75)

The output of the algorithm is a *Score* for each security, associated with the security characteristic X .

Calculation of the score

5.6.2 Securities with missing security value characteristics are ignored.

5.6.3 Securities are sorted in ascending order by their characteristic score X . Securities with the same characteristic score are ordered by investable market capitalization (from smallest to largest).

5.6.4 Cumulative market capitalisation is calculated and divided by investable market capitalisation (*Cum Mcap*), such that $0 < Cum\ Mcap \leq 1$.

5.6.5 For each probability percentile P , (PL , PM or PU), let k be the offset of the largest element of *Cum Mcap* that is less than or equal to P .

5.6.6 If k is zero, then $X(P)$ is equal to the first element of X .

If k is equal to the length of X , then $X(P)$ is equal the last element of X .

If $Cum\ Mcap(k) = P$, let $X(P) = \frac{X(k) + X(k+1)}{2}$.

5.6.7 If none of the conditions in Rule 5.6.6 are satisfied, then $X(P) = X(k + 1)$.

5.6.8 Denote $X(P)$ by XL , XM or XU , depending on P being equal to PL , PM or PU , respectively. The percentile break points are XL , XM and XU . Compare the security characteristic X for each security with XL , XM and XU in order to generate a *Score* for each security using following inequalities:

If $XL = XU$, *Score* = 0.5.

If $XL = XM$ and $X \leq XM$, $Score = \frac{1}{1 + \exp(5)}$.

If $XL = XM$ and $X > XM$, $Score = \frac{1}{1 + \exp\left[\frac{5(XM - X)}{XU - XM}\right]}$.

If $XM = XU$ and $X \geq XM$, $Score = \frac{1}{1 + \exp(-5)}$.

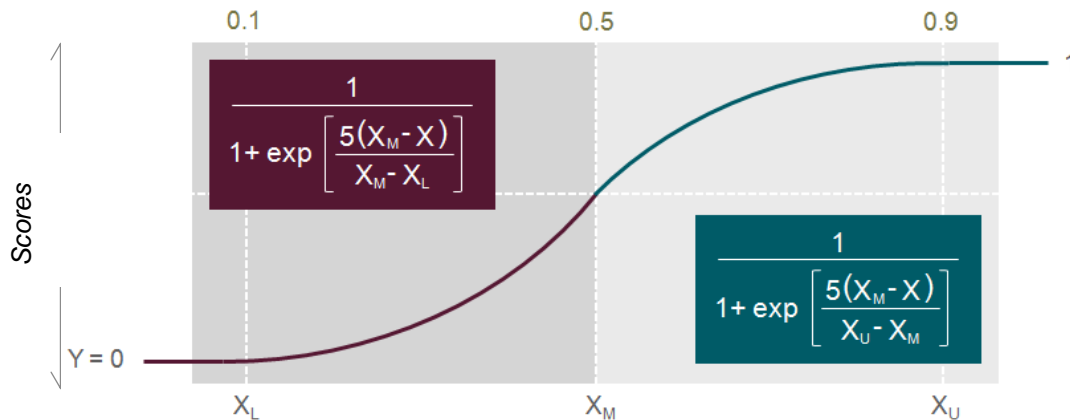
If $XM = XU$ and $X < XM$, $Score = \frac{1}{1 + \exp\left[\frac{5(XM - X)}{XM - XL}\right]}$.

If $X \leq X_M$, $Score = \frac{1}{1 + \exp\left[\frac{5(X_M - X)}{X_M - X_L}\right]}$

If none of the conditions are satisfied, $Score = \frac{1}{1 + \exp\left[\frac{5(X - X_M)}{X_U - X_M}\right]}$

Figure 2 illustrates how security characteristics X are converted into Scores.

Figure 2



5.7 Missing score algorithm

Except for FTSE China A 200 Style and FTSE China A 600 Style indices, securities with missing data or negative B/P ratios are assigned the mean score of the relevant country and size ICB peer group. The relevant peer group consists of the lowest country level ICB (i.e. sub-sector, sector, super-sector or industry) and Size matched category consisting of a minimum of 5 securities. Size is matched to either the large and mid-cap (FTSE All-World) or small cap (FTSE Global Small Cap) universe.

If all relevant country ICB groupings contain fewer than five securities, the process is repeated at the global instead of country level. The relevant peer group becomes the lowest relevant ICB category within either the FTSE All-World or the FTSE Global Small Cap Index. Where there continues to be fewer than five securities the relevant security is assigned a score of 0.5.

For FTSE China A 200 Style and FTSE China A 600 Style indices, the peer group is the lowest ICB category within the FTSE China A All Cap Index. No size matching is needed.

5.8 Index construction

5.8.1 The investable market capitalisation in USD of each constituent in each underlying universe on the review effective date is multiplied by the relevant Value (Growth) probability. The resulting index market capitalisation determines the weight of each constituent in the Value (Growth) index.

5.8.2 The Value and Growth probabilities of each security sum to one. Consequently, the sum of a security's investable market capitalization in the Growth and Value indices will always equal its market capitalization in the underlying index. For example, Stock A in Figure 1 has 20% of its investable market capitalization assigned to the Value index, and the remaining 80% assigned to the Growth index.

5.8.3 The aggregate market capitalization of the Growth and Value indices will equal 50% of the underlying index market capitalization if CVS are normally distributed.

5.9 Index back-histories

5.9.1 The availability of Value and Growth metrics prior to the launch date of the index series is simulated through the application of six-month lag on common equity per share and sales per share.

Section 6

Periodic review of constituents

6. Periodic review of constituents

6.1 Review and price dates

6.1.1 The FTSE Global Style Indices will be reviewed annually in September, based on closing prices on the Wednesday before the first Friday of September (price cut-off date), incorporating underlying index constituent, shares in issue and investability weight changes as of the implementation date. Index reviews will be implemented after the close of business on the third Friday of the review month.

6.2 Capping

6.2.1 Constituent weights of the FTSE BIVA Style Indices are capped at 15% at the company level. Capping is applied semi-annually using prices as at the close of business on the second Friday in March and September and the shares in issue, investability weights and Value and Growth Probabilities effective after the close of business on the third Friday of the review month.

6.2.2 Capping will take into account any corporate actions/events that take effect after the close on the second Friday of the review month up to and including the review effective date if they have been announced and confirmed by the second Friday of the review month.

6.2.3 Corporate actions/events announced after the second Friday of the review month that become effective up to and including the review effective date will not result in any further capping adjustment.

Section 7

Changes to constituent companies

7. Changes to constituent companies

7.1 Intra-review additions

7.1.1 In March, the Value and Growth probabilities of all securities of the FTSE Global All Cap Index and the FTSE China A All Cap Index are re-calculated, incorporating updated Value and Growth measures. New additions are added to the relevant FTSE Global Style Index, using the newly calculated Value and Growth probabilities. The Value and Growth probabilities of existing FTSE Global Style Index constituents remain unchanged from the previous September review.

7.1.2 Additions to the FTSE Global All Cap Index Series and the FTSE China A All Cap Index Series (including initial public offerings), that occur outside of the March and September reviews, will be included in the relevant FTSE Global Style Indices with Value and Growth probabilities determined as of the most recent review.

Except for FTSE China A 200 Style and FTSE China A 600 Style indices, intra-review additions are assigned the mean Value probability of the relevant country and Size ICB peer group. The relevant peer group consists of the lowest country level ICB (i.e. sub-sector, sector, super-sector or industry) and Size matched category consisting of a minimum of 5 securities. Size is matched to either the large and mid-cap (FTSE All-World) or small cap (FTSE Global Small Cap) universe. If the relevant country ICB grouping contains fewer than five securities, the process is repeated at the global instead of country level, i.e. the peer group is the lowest ICB category within either the FTSE All-World or FTSE Global Small Cap Index containing at least 5 securities. Where there continues to be fewer than five securities the relevant security is assigned a probability of 0.5.

For FTSE China A 200 Style and FTSE China A 600 Style indices, the peer group is the lowest ICB category within the FTSE China A All Cap Index. No size matching is needed.

The Growth probability of each peer group is calculated as one minus its Value probability. If a peer group's Value or Growth probability is greater than 95%, it is increased to 100% to eliminate small weightings. A spin-off of an existing constituent is assigned the same Value and Growth probabilities as the parent entity.

7.2 Intra-review deletions

7.2.1 A constituent will be removed from a FTSE Global Style Index if it is also removed from the corresponding underlying index. The deletion will be concurrent with the deletion from the underlying index and its weight will be distributed pro-rata amongst the remaining constituents of the relevant FTSE Global Style Index.

Section 8

Corporate actions and events

8. Corporate actions and events

8.1 If a constituent in the underlying index has a stock split, stock consolidation, rights issue, bonus issue, a change in the number of shares in issue or a change in free float, the constituent's weighting in the corresponding FTSE Global Style Index will reflect this.

8.2 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using the following link:

[Corporate Actions and Events Guide.pdf](#)

A Corporate 'Action' is an action on shareholders with a prescribed ex date. The share price will be subject to an adjustment on the ex date. The index will be adjusted in line with the ex date.

These include the following:

- Capital Repayments
- Rights Issues/Entitlement Offers
- Stock Conversion
- Splits (sub-division)/Reverse splits (consolidation)
- Scrip issues (Capitalisation or Bonus Issue)

A Corporate 'Event' is a reaction to company news (event) that may impact the index depending on the index rules. For example, a company announces a strategic shareholder is offering to sell their shares (secondary share offer) – this could result in a free float weighting change in the index. Where an index adjustment is required FTSE will provide notice advising of the timing of the change.

8.3 Suspension of dealing

Suspension of Dealing rules can be found within the Corporate Actions and Events Guide.

8.4 Takeovers, mergers and demergers

The treatment of takeovers, mergers and demergers can be found within the Corporate Actions and Events Guide. Companies involved in a merger will have their Value and Growth probabilities adjusted by the terms of the merger.

Section 9

Indices algorithm and calculation method

9. Indices algorithm and calculation method

9.1 Prices

The FTSE Global Style Index Series use actual closing mid-market or last trade prices, where available, for securities with local market quotations. Further details can be accessed using the following link:

[Closing Prices Used For Index Calculation.pdf](#)

9.2 Calculation frequency

The FTSE Global Style Index Series will be calculated on an end of day basis and displayed to eight decimal points.

The index series is calculated on public holidays whenever at least one market is trading. The index series will not be calculated on 1 January.

9.3 Index Calculation

The FTSE Global Style Indices are calculated using the algorithm described below:

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

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.
- c_i is the Weighting Factor to be applied to a security to correctly weight that security in the index. This factor maps the investable market capitalisation of each security to a notional market capitalisation for inclusion in the index.
- 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 A

Further information

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

[Glossary.pdf](#)

Further information on the FTSE Global Style Index Series 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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