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# FTSE Global Equity Index Series

Index Review Reference Data cut-off dates for 2016

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# FTSE Global Equity Index Series Review Schedule 2016

## FTSE Global Equity Index Series Review Schedule 2016

	Semi-Annual Review March 2016	Quarterly Review June 2016	Semi-Annual Review September 2016	Quarterly Review December 2016
Index Rebalance Market Cap data cut-off <sup>1,2</sup>	31 December 2015	n/a	30 June 2016	n/a
ICB Review Cut-Off Date	12 February 2016	13 May 2016	12 August 2016	11 November 2016
Quarterly Free float changes cut-off (only updates captured up to this date will be processed at the index review) <sup>3</sup>	17 February 2016	18 May 2016	17 August 2016	16 November 2016
Quarterly 1% SII changes cut-off (only updates captured up to this date will be processed at the index review) <sup>3</sup>	17 February 2016	18 May 2016	17 August 2016	16 November 2016
Release of <b>Indicative</b> Files (FF & 1% SII updates)	24 February 2016	25 May 2016	24 August 2016	23 November 2016
Release of <b>Final</b> Files (FF & 1% SII updates) - incorporates any revisions to indicative file	2 March 2016	1 June 2016	31 August 2016	30 November 2016
Liquidity Testing Period <sup>4</sup>	2 January 2015 to 31 December 2015	n/a	1 July 2015 to 30 June 2016	n/a
IPO / Spin-off Review Period <sup>5</sup>	12 August 2015 to 31 December 2015	1 October 2015 to 11 May 2016	12 February 2016 to 30 June 2016	1 April 2016 to 11 November 2016

IPO / Spin-off Market cap cut-off <sup>6</sup>	31 December 2015	11 May 2016	30 June 2016	11 November 2016
IPO / Spin-off cut-off in order to meet 3 month minimum trading requirement <sup>7</sup>	1 October 2015	12 February 2016	1 April 2016	12 August 2016
FTSE Notice of Regional Changes Circulated (three notices, one after each regional market close)	2 March 2016	1 June 2016	31 August 2016	30 November 2016
Review Products circulated	2 March 2016	1 June 2016	31 August 2016	30 November 2016
Review Effective Date <sup>8</sup>	21 March 2016	20 June 2016	19 September 2016	19 December 2016



## FAQ

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### 1.0 Data cut-off date for the semi-annual reviews in March and September

#### March review

Data cut-off will be the last business day in December.

#### September review

Data cut-off will be the last business day in June.

### 2.0 What happens in June and December?

All normal quarterly changes such as 1% shares in issue updates, Industry Classification Benchmark (ICB) updates, capping, free float changes, IPOs which failed to qualify as fast entrants and the Large/Mid/Small status of the resultant companies from a spin-off will continue to be processed in June and December. Resultant companies from a spin-off below the exit threshold will be deleted.

### 3.0 Quarterly Free Float and 1% Shares In Issue Changes

The cut-off for quarterly 1% shares in issue and free float changes will be the third Wednesday of the month prior to March, June, September and December.

**For illustration purposes:** for the March 2016 semi-annual review, the cut off date for 1% shares in issue and free float changes will be Wednesday 17 February 2016.

Timing of free float and share changes which breach the 3%/10%/USD2bn rules if announced after the above cut-off date

Any corporate event driven free float or share change (e.g. resulting from equity offering or secondary placing) will be processed as per sections 2.7 and 2.6 respectively in the Corporate Actions and Events guide, available at:

[http://www.ftse.com/products/downloads/Corporate\\_Actions\\_and\\_Events\\_Guide.pdf](http://www.ftse.com/products/downloads/Corporate_Actions_and_Events_Guide.pdf)

### 4.0 Liquidity testing period

A full 12 month liquidity test will be conducted in both the March and September semi-annual reviews.

**Testing periods:**

Review Month	Liquidity testing period
March	First business day of January to last business day of December
September	First business day of July to last business day of June

**For illustration purposes:** Liquidity testing period for the March 2016 review will be from 2 January 2015 to 31 December 2015.

## 5.0 IPO / Spin-off Review Period

As well as being reviewed at the March and September semi-annual reviews, IPOs from all regions (which failed to qualify as fast entrants) and the companies resulting from a spin-off will also be reviewed in June and December. Liquidity will be tested over the date ranges shown below.

Review Month	IPO period assessed
March 2016	12 August 2015 – 31 December 2015
June 2016	01 October 2015 – 11 May 2016
September 2016	12 February 2016 – 30 June 2016
December 2016	01 April 2016 – 11 November 2016

**For illustration purposes:** For the March 2016 review the cut-off date for index data is 31 December 2015. However, only those IPOs and spin-offs with 3 months liquidity as at 31 December 2015 will be considered for index inclusion in March 2016. Therefore in order to meet the minimum 3 month trading requirement an IPO or spin-off would need to have listed by 1 October 2015.

## 6.0 Market capitalisation cut-off used to determine IPO / Spin-off eligibility in June and December

Index membership of eligible IPOs and the companies resulting from a spin-off will be determined by referencing the full company market capitalisation at close on \*11 May or \*11 November (as appropriate), against the entry levels for Large, Mid, Small as set in the March or September review (as appropriate), index adjusted to reflect the subsequent change in performance of the appropriate regional index.

(\*) The previous trading day's data will be taken if any of the dates above are on a non trading day.

## 7.0 IPO / Spin-off cut-off date in order to meet minimum 3 month trading requirement

Review Month	Minimum IPO listing date
March 2016	01 October 2015
June 2016	12 February 2016
September 2016	01 April 2016
December 2016	12 August 2016

## 8.0 Rebalance effective date?

The effective date will be from the open on Monday following the third Friday of March, June, September and December.

## 9.0 Impact of Country Reclassification Changes

FTSE classifies countries included in its global indexes into one of three categories: Developed, Advanced Emerging and Secondary Emerging.

FTSE conducts an annual review of all countries currently included in its global indexes and those countries being considered for inclusion, the results released in September of each year. A notice period of at least six months is given before changing the classification of any country.

Below we illustrate the review process incorporating a country classification change.

The following should be read in conjunction with the FTSE Global Equity Index Series Ground Rules.

### **Review Process – Defining Regional / Index Universe**

Countries are grouped into the following regions for the purpose of the reviews:

Asia Pacific ex Japan  
Developed Europe  
Emerging Europe  
Japan  
Latin America  
Middle East & Africa  
North America

The 100% Regional Universe includes all eligible companies assigned the nationality of countries that are classified as eligible for inclusion as of review effective date.

The top 98% of the Regional Universe forms the Index Universe.

**For illustration purposes:** Greece will be reclassified from Developed to Advanced Emerging as of the March 2016 review effective date and therefore in the review process Greece will be included in the Emerging Europe regional universe and excluded from the Developed Europe regional universe.

### **Reviewing constituents for the indexes**

In order to reduce turnover, existing GEIS constituents will retain their current Large/Mid/Small Cap status and will be subject to the new regional buffer zones to determine their new index status within the allocated region. However constituents of newly eligible countries (e.g. Qatar reclassified from Frontier to Secondary Emerging in September 2016) will be treated as non constituents.

**For illustration purposes:** for the March 2016 semi-annual review a previous Greek Large Cap constituent in the Developed Europe index will retain Large Cap status in the Emerging Europe review and will be subject to change based on the new cut-off / basis points entry / exit levels calculated for the Emerging Europe review.

Existing Qatari constituents in FTSE Frontier will be treated as non-constituents and will need to meet the inclusion criteria at the review in September 2016.



### **Inclusion/Exclusion Percentage Levels by Investable Market Capitalisation**

The percentage levels by investable market capitalisation for all regions will be determined based on the respective regional Small Cap Index as of cut-off date.

**For illustration purposes:** for the March 2016 semi-annual Emerging Europe review, the investable market capitalisation buffers will be calculated based on the Small Cap Index as of 31 December 2015 which will exclude Greece.

### **Liquidity**

For the purposes of liquidity an existing GEIS constituent will remain considered as a constituent following a country reclassification. As such, based on a constituent's median daily trading volume per month, it must turnover at least 0.04% of its shares in issue (after the application of any free float weightings) for at least eight of the twelve months prior to a full market review.

In the case of a country reclassification from FTSE Frontier to FTSE GEIS, stocks will be considered as non-constituents. As such, based on a non-constituent's median daily trading volume per month, it must turnover at least 0.05% of its shares in issue (after the application of any free float weightings) for at least ten of the twelve months prior to a full market review.

**For illustration purposes:** existing Developed Europe Greek constituents will be treated as current constituents for the purposes of the Emerging Europe liquidity test in March 2016. Existing Qatari constituents in FTSE Frontier will be treated as non-constituents for the purposes of the GEIS Middle East & Africa liquidity test in September 2016.



## Further Information

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If you have any questions and would like to speak to a client services individual directly, please do not hesitate to contact us on the numbers below, or via email at [info@ftse.com](mailto:info@ftse.com).

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