



FTSE Country Watch List Index Series Ground Rules

Addendum to FTSE Global Equity Index Series Ground Rules
v1.3



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Section 1

Introduction

1.0 Introduction

- 1.1 The FTSE Country Classification scheme, classifies countries as either, Developed, Advanced Emerging, Secondary Emerging or Frontier. Countries are assessed against a set of technical and economic criteria with the results of the annual review published every September.

Please refer to the following document for additional background information on the FTSE Country Classification process: [FTSE Country Classification Paper.pdf](#)

- 1.2 To provide added transparency and to enable investors to plan for potential country classification changes, FTSE operates a Watch List of those countries which have been judged to have met, or are becoming close to meeting, the technical criteria required for promotion within the FTSE Country Classification scheme. The Watch List also includes those countries which have been judged to have fallen below the requirements needed to maintain the countries' current classifications and are being considered for demotion.
- 1.3 FTSE announces any changes to the Watch List (reclassifications, additions or deletions) In March (interim update) and in September (annual update) Watch List indexes are created when a new market is added to the Watch List. Watch List indexes are discontinued when a Watch List market is reclassified or removed from the Watch List.
- 1.4 The Watch List indexes are designed to provide investors with a forwarding looking view of FTSE Global Equity Index Series (GEIS) and FTSE Frontier Index Series for confirmed country reclassifications, thereby providing investors with added flexibility for adoption. A minimum of six months notification is provided prior to a Watch List market being reclassified.
- 1.5 For Watch List markets which are not scheduled for reclassification, the Watch List indexes provide a forwarding looking view if the proposed market reclassification change were to be adopted.
- 1.6 These rules are an addendum to the Ground Rules of the FTSE Global Equity Index Series. Please refer to the FTSE Russell website (www.ftserussell.com).

1.7 **FTSE Russell**

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Section 2

Watch List Markets and Country Classification Changes

2.0 Watch List Markets and Country Classification Changes

The following markets were assigned watch list market status at the interim FTSE Country Classification update in March 2017:

- **China A-Share** – possible inclusion as Secondary Emerging
- **Kuwait** – possible inclusion as Secondary Emerging
- **Mongolia** – possible inclusion as Frontier
- **Nigeria** – possible demotion from Frontier to Standalone
- **Poland** – possible promotion from Advanced Emerging to Developed
- **Romania** – possible promotion from Frontier to Secondary Emerging
- **Saudi Arabia** – possible inclusion as Secondary Emerging

Argentina and Kazakhstan were on the September 2016 Watch List, both these markets will be promoted to Frontier market status from September 2017.



Section 3

List of Indexes Calculated in the FTSE Country Watch List Index Series

3.0 List of Indexes Calculated in the FTSE Country Watch List Index Series:

ACDPOL	FTSE Developed All Cap Incl Poland Index
FCDPOL	FTSE Developed Incl Poland Index
ACEXPOL	FTSE Emerging All Cap ex Poland Index
FCDXPOL	FTSE Emerging ex Poland Index
GEISACIK	FTSE Global All Cap Incl Kuwait Index
ACEIK	FTSE Emerging All Cap Incl Kuwait Index
FCEIK	FTSE Emerging Incl Kuwait Index
GEISACIS	FTSE Global All Cap Incl Saudi Arabia Index
ACEIS	FTSE Emerging All Cap Incl Saudi Arabia Index
FCEIS	FTSE Emerging Incl Saudi Arabia Index

- 3.1.1 There are no separate watch list indexes for China A as the possible inclusion of China A shares to Secondary Emerging market status is reflected in the FTSE Global China A Inclusion Indexes.
- 3.1.2 There are no separate watch list indexes for Kazakhstan or Mongolia as there are insufficient securities from these markets meeting the size and liquidity thresholds to create a Frontier market index (minimum of three securities required to create a country level index).



Section 4

Constituents Selection Criteria

4.0 Constituents Selection Criteria

Separate regional reviews were conducted in accordance with the FTSE Global Equity Index Series semi-annual review process, incorporating the universe of eligible securities from the respective markets:

Poland – Developed Europe

Kuwait – Middle East & Africa

Saudi Arabia – Middle East & Africa



Section 5

Changes to Constituent Companies

5.0 Changes to Constituent Companies

- 5.1 All changes will be applied in conjunction with the FTSE Global Equity Index Series.
- 5.2 New issues that qualify for fast entry will be implemented in accordance the FTSE Global Equity Index Series Ground Rules.

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