

# FTSE Sweden 30 Index

v3.4



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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 Sweden 30 Index. Copies of the Ground Rules are available from FTSE Russell.

1.2 The FTSE Sweden 30 Index is designed to reflect the performance of the top 30 largest and most liquid Swedish listed securities.

1.3 The FTSE Sweden 30 Index does not take account of ESG factors in its index design.

1.4 The FTSE Sweden 30 Index is calculated in Swedish Krona.

1.5 Index constituents are weighted on investable market capitalisation.

1.6 The FTSE Sweden 30 Price Index is calculated in real-time and published every 15 seconds.

1.7 Total return index (TRI) is published at the end of each working day. The TRI includes income based on ex dividend adjustments.

### 1.8 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.

1.9 FTSE Russell hereby notifies users of the index 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 and therefore, any financial contracts or other financial instruments that reference the index 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.

1.10 Index users who choose to follow this index or to buy products that claim to follow this index 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 (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 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<sup>1</sup>.

2.1.2 FTSE is responsible for the daily calculation, production and operation of the FTSE Sweden 30 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;
- publish changes to the constituent weightings resulting from their ongoing maintenance and the periodic reviews;
- disseminate the indices.

### 2.2 Status of these Ground Rules

2.2.1 These Ground Rules set out the methodology and provide information about the publication of the FTSE Sweden 30 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.

2.3.2 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 Rules should subsequently be updated to provide greater clarity.

<sup>1</sup> 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 through the links below:

### 3.1 Corporate actions and events guide

3.1.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate actions and events guide through the following link:

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

### 3.2 Statement of principles for FTSE Russell Equity Indices (the statement of principles)

3.2.1 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 the FTSE Russell Index Governance Board.

The statement of principles can be accessed through the following link:

[Statement of Principles.pdf](#)

### 3.3 Queries and complaints

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

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

### 3.4 Index policy for trading halts and market closures

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

[Index Policy for Trading Halts and Market Closures.pdf](#)

### 3.5 Index policy in the event clients are unable to trade a market or a security

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

[Index Policy in the Event Clients are Unable to Trade a Market or a Security.pdf](#)

### **3.6 Recalculation policy and guidelines**

3.6.1 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 Sweden 30 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 through the link below or by contacting [info@ftserussell.com](mailto:info@ftserussell.com).

[Recalculation Policy and Guidelines Equity Indices.pdf](#)

### **3.7 Policy for benchmark methodology changes**

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

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

### **3.8 FTSE Russell Governance framework**

3.8.1 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 Benchmarks<sup>2</sup>, the European benchmark regulation<sup>3</sup> and the UK benchmark regulation<sup>4</sup>. The FTSE Russell Governance framework can be accessed through the following link:

[FTSE Russell Governance Framework.pdf](#)

### **3.9 Real Time Status Definitions**

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

[Real Time Status Definitions.pdf](#)

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

<sup>3</sup> 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.

<sup>4</sup> The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019.

## Section 4

# Eligible securities

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## 4. Eligible securities

- 4.1 The universe of eligible constituents is all equity stock listed on Nasdaq Stockholm AB, subject to conforming to all other rules of eligibility, free float and liquidity.

## Section 5

# Index qualification criteria

## 5. Index qualification criteria

To be included in the index, a stock must pass free float and liquidity criteria.

### 5.1 Investability weightings

5.1.1 Constituents of the FTSE Sweden 30 Index are adjusted for free float and foreign ownership limits.

Further details on free float restrictions can be accessed through the following link:

[Free Float Restrictions.pdf](#)

### 5.1.2 Initial weighting

Free float will be calculated using available published information rounded to 12 decimal places. Companies with a free float of 5% or below are excluded from the index.

A company that has a free float greater than 5%, but less than or equal to 15%, will be eligible for the index providing the company's full market capitalisation (before the application of any investability weight) is greater than USD 5bn. This does not apply to a company, which following a take-over offer, has a remaining free float of 15% or less.

### 5.2 Liquidity

5.2.1 Each security will be tested for liquidity based on 6 months average daily traded value on semi-annual basis in June and December using market data as at the close of business on the Monday 4 weeks prior to the review effective date.

### 5.3 Size

5.3.1 Only companies valued at more than SEK 100m (at the date at which the data for the review is taken) will be eligible for the index.

### 5.4 Minimum voting rights

5.4.1 Companies assigned a developed market nationality are required to have greater than 5% of the company's voting rights (aggregated across all of its equity securities, including, where identifiable, those that are not listed or trading) in the hands of unrestricted shareholders or they will be deemed ineligible for index inclusion. Emerging market securities are not subject to this requirement.

5.4.2 The percentage of a company's voting rights in public hands is calculated as:

$$\frac{\text{The number of votes in the hands of shareholders that are unrestricted as determined by the application of FTSE Russell free float definitions}}{\text{The total number of votes conferred by the shares outstanding of all the company's voting securities including those that have not been admitted to trading on a regulated venue}}$$

For example, Company A has 100m listed Class A shares each conferring one vote, free float is 65%. It also has 300m unlisted Class B shares each conferring 10 votes.

The test to assess whether the listed Class A line has the required greater than 5% of the company's voting rights is as follows:

$$\frac{65\text{m (i. e. } 100\text{m Class A voting rights} * 65\% \text{ float)}}{3.1\text{bn (i. e. } 100\text{m Class A} + 3\text{bn Class B)}} \\ = 2.097\% \text{ of the company's voting rights in public hands}$$

## Section 6

# Periodic review of constituents

## 6. Periodic review of constituents

### 6.1 Review dates

- 6.1.1 The FTSE Sweden 30 Index will be reviewed semi-annually in June and December using market data as at the close of business on the Monday 4 weeks prior to the review effective date.
- 6.1.2 Changes to the index will be implemented after close of business on the third Friday (i.e. effective Monday) of June and December.
- 6.1.3 FTSE will be responsible for publicising the outcome of the periodic review.

### 6.2 Steps for conducting a review

The periodic review of the constituents will follow the same procedures that have been applied to formulate the index, and the steps are:

- 6.2.1 All common stock listed on Nasdaq Stockholm AB are ranked by each of the following:
  - Full market capitalisation;
  - Liquidity.
- 6.2.2 All listed companies are given a rank according to their full market capitalisation.
- 6.2.3 All listed companies are given a rank according to their 6 months daily average value traded.
- 6.2.4 The final ranking number for each company is calculated by adding:
  - the ranking of the full market capitalisation rank weighted at 1/3rd and;
  - the ranking of the 6 months daily average value traded weighted at 2/3rd.

Example: Stock 'A' ranked 4th on full market capitalisation and 1st on 6 months daily average value traded.

The number to be used for ranking stock "A":

$$4 \times \left(\frac{1}{3}\right) + 1 \times \left(\frac{2}{3}\right) = 2$$

- 6.2.5 The rules for inserting and deleting securities at the periodic review are designed to provide stability and reduce turnover in the selection of constituents of the FTSE Sweden 30 Index, while ensuring that the Index continue to be representative of the market by including or excluding those securities which have risen or fallen significantly.
  - Non-constituents will be included at the semi-annual review if it is above the 25th position in the Index universe;
  - A stock will be deleted at the periodic review if it falls below the 35th position in the index universe.

### **6.3 Capping dates**

- 6.3.1 At the semi-annual review, the constituents of the FTSE Sweden 30 Index are capped at 10% using prices adjusted for corporate actions as at the close of business on the second Friday in June and December. The capping is implemented after close of business on the third Friday in June and December based on the constituents, shares in issue and free float on the next trading day following the third Friday of the review month.

## Section 7

# Changes to constituent companies

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## 7. Changes to constituent companies

### 7.1 New issues

7.1.1 The FTSE Sweden 30 Index will not have intra-review additions.

7.1.2 The new issues will be reviewed for index inclusion at the next semi-annual review. When a stock is added to the universe, it will be therefore considered for inclusion at the next semi-annual review of the FTSE Sweden 30 Index.

7.1.3 New issues must have a minimum 3-month trading record when reviewed.

### 7.2 Deletions

7.2.1 A stock will be deleted from the FTSE Sweden 30 Index when the constituent is delisted from its stock exchange, is subject to a takeover offer which has been declared wholly unconditional or becomes bankrupt, insolvent or is liquidated.

7.2.2 In the event where a company has been deleted from the index but retains a listing with a float greater than 5%, it will be considered for index eligibility as a new issue following a period of 12 months.

## Section 8

# Corporate actions and events

## 8. Corporate actions and events

8.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the corporate actions and events guide through 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. 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.

### 8.2 Shares in issue

Changes to the number of shares in issue for constituent securities are covered in the corporate actions and events guide.

### 8.3 Investability weightings

8.3.1 Changes to free float for constituent securities are covered in the corporate actions and events guide.

### 8.4 Mergers, restructuring and complex takeovers

8.4.1 Mergers/takeovers between constituents

If the effect of a merger or takeover is that one constituent company is absorbed by another, the resulting company will remain a constituent of the index.

8.4.2 Mergers/takeovers between a constituent and a non-constituent

If a constituent company in the FTSE Sweden 30 Index is taken over by a non-constituent company, the original constituent will be removed from the Index.

### 8.5 Splits/demergers

If a FTSE Sweden 30 Index constituent splits into two or more companies, and where one or more of the new companies are eligible to remain in the index the FTSE Sweden 30 Index will have more than 30 companies in the Index until the next review.

**8.6 Suspension of dealing**

8.6.1 Suspension of dealing rules can be found within the corporate actions and events guide.

**8.7 Relisting of suspended constituents**

8.7.1 If a company relists then it will be eligible for inclusion in the Index at the next semi-annual review providing it meets the eligibility criteria as defined in Section 5.

## Section 9

# Index calculation

## 9. Index calculation

### 9.1 Prices

9.1.1 The FTSE Sweden 30 Index uses actual trade prices for securities with local stock exchange quotations. Reuter's real-time spot currency rates are used in the index calculation.

### 9.2 Calculation frequency

9.2.1 The FTSE Sweden 30 Index will be calculated in real time and published every 15 seconds during their opening hours using real time prices.

### 9.3 Index calculation

9.3.1 The FTSE Sweden 30 Index will be displayed to two decimal points.

9.3.2 The FTSE Sweden 30 Index is calculated using the following formula:

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

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 capping factor to be applied to a security to correctly weight that security in the index. This factor maps the investable market capitalisation of each stock 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

# Index opening and closing hours

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Index	Open	Close
FTSE Sweden 30 Index	08:00	16:30

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Timings are UK hours.

## Appendix B

# Capping methodology

The algorithm is applied to each constituent of the FTSE Sweden 30 that requires capping. Any constituents whose weights are greater than 10% are capped at 10%. The weights of all lower ranking constituents are increased as a consequence of reducing the weights of the bigger stocks. The remaining lower ranking constituents are then checked and if they exceed 10%, they are also capped at 10%. This process is repeated until no constituent weight exceeds 10%.

The constituent capping factor  $c_i$  is given by:

$$c_i = \frac{Z}{I \times (p_i \times s_i \times f_i)} \sum_{j \in J} (p_j \times s_j \times f_j)$$

Where,

- $i$  denotes the security to be capped;
- $j$  denotes an uncapped security;
- $J$  is the subset of securities that are uncapped;
- $p_k$  is the official closing price of the  $k^{\text{th}}$  security;
- $s_k$  is the number of shares in issue of the  $k^{\text{th}}$  security;
- $f_k$  is the free float factor of the  $k^{\text{th}}$  security;
- $I$  is the percentage of the index represented by all uncapped constituents;
- $Z$  is the percentage capping level.

## Appendix C

# Status of index

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The FTSE Sweden 30 Index is calculated in real time.

For further details of real time definitions please refer to the following guide:

[Real Time Status Definitions.pdf](#)

The official opening and closing hours of the FTSE Sweden 30 Index is set out in Appendix A. Variations to the official hours of the Index will be published by FTSE Russell.

The FTSE Sweden 30 Index will not be calculated on Swedish public holidays.

## Appendix D

# Further information

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A glossary of terms used in FTSE Russell's Ground Rule documents can be found through the following link:

[Glossary.pdf](#)

Further information on the FTSE Sweden 30 Index are available from FTSE Russell.

For contact details, please visit the FTSE Russell website or contact FTSE Russell client services at [info@ftserussell.com](mailto:info@ftserussell.com).

Website: [www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/)

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