

Corporate Actions and Events Guide for Non Market Capitalisation Weighted Indexes: Update

15 December 2017

FTSE Russell would like to inform clients of the following clarifications to the Corporate Actions and Events Guide for Non Market Capitalisation Weighted Indexes:

Section 3.2: Scrip Issues

Clarified that scrip issues into a different constituent of the same index are treated as a market cap neutral event; i.e. the WAF is updated to reflect the distribution (illustrated in an updated Example 2).

Exception: Within the FTSE RAFI series, the current WAFs of both companies will remain unchanged for this event type. Effective March 2018, this FTSE RAFI exception will be removed and FTSE RAFI will mirror the standard treatment as detailed above.

Clarified in Examples 3 and 4 (scrip issues into non constituents) that temporary lines reflecting the distribution shares will be deleted upon settlement and listing of the new shares.

Clarified that temporary lines may be utilized across all indexes regardless of any shared memberships when memberships are unshared across other non market cap weighted indexes.

Section 3.4: Rights Issues

Clarified that where new shares are being offered at a premium to the market price, any new shares issued will be reviewed during the quarterly review.

Section 3.7.1 Mergers and Takeovers

Added a statement to highlight a ground rule change within the FTSE RAFI series effective March 2018.

Section 3.9 Stock Conversion

Clarified that conversions of non constituents into constituents (e.g. Class A into Class B) will be reviewed at the quarterly review.

An updated copy of the Corporate Actions and Events Guide for Non Market Capitalisation Weighted Indexes (v2.8) is now available on the FTSE Russell website: <http://www.ftserussell.com>

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