

# FTSE 3-Month US T-Bill Index Series

v2.0



**FTSE  
RUSSELL**

An LSEG Business

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## Section 1

# Introduction

## 1. Introduction

The FTSE 3-Month US T Bill Index Series is intended to track the daily performance of 3-month US Treasury bills. The indexes are designed to operate as a reference rate for a series of funds.

1.1 The FTSE 3-Month US T Bill Index Series does not take account of ESG factors in its index design.

### 1.2 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, The Yield Book Inc and Beyond Ratings.

### 1.3 Index Objective and Intended Use

1.3.1 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.

1.4 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'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 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.

### 1.5 These Ground Rules

1.5.1 This document sets out the Ground Rules for the construction and maintenance of the FTSE 3-Month US T Bill Index Series.

## 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 operation of the FTSE 3-Month US T Bill Index Series. FTSE is responsible for monitoring the index performance and will maintain records of the index calculations, including any changes in the parameters for the index.

### 2.2 Amendments to these Ground Rules

2.2.1 These Ground Rules shall be subject to regular review 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, 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.

<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 using the links below:

### 3.1 **Statement of Principles for FTSE Russell Equity Indexes (the Statement of Principles)**

3.1.1 Indexes 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 using the following link:

[Statement\\_of\\_Principles.pdf](#)

### 3.2 **Queries and Complaints**

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

[Benchmark\\_Determination\\_Complaints\\_Handling\\_Policy.pdf](#)

### 3.3 **Index Policy for Trading Halts and Market Closures**

3.3.1 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](#)

### 3.4 **Index Policy in the Event Clients are Unable to Trade a Market or a Security**

3.4.1 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](#)

### 3.5 **FTSE Russell Policy for Benchmark Methodology Changes**

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

[Policy\\_for\\_Benchmark\\_Methodology\\_Changes.pdf](#)

### **3.6 FTSE Russell Governance Framework**

3.6.1 To oversee its indexes, 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 ensure compliance with 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 using the following link:

[FTSE Russell Governance Framework.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

# Index calculation

## 4. Index calculation

4.1 The total return index is calculated as follows:

$$TR_t = TR_{t-1} \left( 1 + \frac{(r_{t-1} + c)d}{360} \right)$$

Where:

$TR_t$   $TR_{t-1}$  Current, previous index level

$d$  Number of calendar days between  $t - 1$  and  $t$ , where  $t$  is a business day

$r_{t-1}$  The 3-month treasury bill rate as published by the Federal Reserve Bank of St. Louis on  $t - 1$ .

$s$  Given spread e.g. 4%

$C$  Daily compounded rate

$$c = \left( (1 + s)^{\frac{1}{360}} - 1 \right) \times 360$$

4.2 **Note: Day count basis for US T-bills is 360 days.** The index will be calculated on any valid trading day according to the Securities Industry and Financial Markets Association (SIFMA).

## Appendix A

# List of US T Bill indexes

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Index Name	Spread	Daily Compounded Rate	Base Value	Base Date
FTSE 3-Month US T Bill + 4% Index	4.0%	3.922228497%	100	31 December 2014
FTSE 3-Month US T Bill Index	0%	0%	100	31 December 2014



## Appendix B

# Further information

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

[Glossary.pdf](#)

Further information on the FTSE 3-Month US T Bill 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](mailto:info@ftserussell.com).

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

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