

FTSE CNBC Global 300 Index Series

v4.3



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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 CNBC Global 300 Index Series. Copies of these Ground Rules are available from FTSE Russell.
- 1.2 The FTSE CNBC Global 300 Index Series is designed as a representative index indicating broad market performance across all industries, developed and emerging markets. For this reason, it has used the FTSE Global All Cap Index Series, which is part of the FTSE Global Equity Index Series as its base universe.
- 1.3 The FTSE CNBC Global 300 Index Series does not take account of ESG factors in its index design.
- 1.4 The FTSE CNBC Global 300 Index Series constituents will be classified according to the Industry Classification Benchmark (ICB)¹.
- 1.5 The FTSE CNBC Supersectors Indices is based on the 20 supersectors of the ICB. An index is produced and maintained for each supersector by taking the constituents in the FTSE CNBC Global 300 Index.
- 1.6 Ground Rules for the FTSE Global Equity Index Series and ICB are available from FTSE Russell, and should be read in conjunction with these Ground Rules.
- 1.7 A capital index will be calculated for the FTSE CNBC Global 300 Index Series on a real-time basis every 15 seconds in US Dollars. A total return index will also be calculated on an end-of-day basis in US Dollars.
- 1.8 The FTSE CNBC Global 300 Index Series commenced calculation on 31 July 2006 with a starting value of 5,000.
- 1.9 The base currency of the benchmark is US Dollars. Index values may also be published in other currencies.

1.10 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.

- 1.11 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 FTSE indices migrated to the new ICB classification system in March 2021

- 1.12 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.

Section 2

Management responsibilities

2. Management responsibilities

2.1 FTSE International Limited (FTSE)

2.2 FTSE is the benchmark administrator of the index series².

2.3 FTSE is responsible for the daily calculation, production and operation of the index series 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; and
- disseminate the indices.

2.4 FTSE may also approve changes to the Ground Rules if they reflect changes to the equivalent rules governing the FTSE Global Equity Index Series.

2.5 The weightings of constituents in the real-time index shall be used in the calculation of the end-of-day index.

2.6 Amendments to these Ground Rules

2.6.1 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.

2.6.2 Where an exception is granted to the Ground Rules, it shall not be deemed to create a precedent for future decisions of the FTSE Russell Index Governance Board.

² 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 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 using the following link:

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

3.2 Statement of Principles for FTSE Russell Equity Indices (the Statement of Principles)

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 FTSE Russell's Index Governance Board.

The Statement of Principles can be accessed using the following link:

[Statement of Principles.pdf](#)

3.3 Queries and Complaints

3.3.1 FTSE Russell's complaints procedure can be accessed using 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 using 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

3.5.1 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](#)

3.6 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 CNBC Global 300 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 using the link below or by emailing 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 using 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 Benchmarks³, the European benchmark regulation⁴ and the UK benchmark regulation⁵. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

3.9 Real Time Status Definitions

- 3.9.1 Please refer to the following guide for details of real time status definitions for indices which are calculated in real time.

[Real Time Status Definitions.pdf](#)

³ IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013

⁴ 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

⁵ The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019

Section 4

Eligible securities

4. Eligible securities

- 4.1 Only securities that are current constituents of the FTSE Global All Cap Index Series are eligible for the FTSE CNBC Global 300 Index Series.
- 4.1.1 A company will be allocated to a single country and this allocation shall be consistent with the FTSE Global All Cap Index Series.
- 4.2 Multiple lines of stock for an individual company are treated as distinct and separate entities for the purposes of constituent selection.

Section 5

Index selection criteria

5. Index selection criteria

- 5.1 Securities included in the FTSE CNBC Global 300 Index Series must be current constituents of the FTSE Global All Cap Index Series.
- 5.2 The FTSE CNBC Global 300 Index comprises at review the largest 14 securities by full market capitalisation from each of the 20 ICB supersectors, plus the 20 largest securities from emerging markets. Where there is an overlap between constituents selected, the largest non-constituent emerging market stocks from the FTSE Global All Cap Index Series will be selected so that the total number of constituents is always 300.
- 5.3 The FTSE CNBC Global 300 Index will be the underlying universe for the FTSE CNBC Supersectors Indices. Each of the 20 supersectors according to the ICB will be composed from the relevant supersector that the 300 constituents originate from. Only constituents that are in the FTSE CNBC Global 300 Index can be eligible for the FTSE CNBC Supersectors Indices. A constituent can only be in one FTSE CNBC Supersector Index at any one time. For each FTSE CNBC Supersector Index, there will never be less than 14 constituents at any one time.

Section 6

Periodic review of constituents

6. Periodic review of constituents

6.1 The FTSE CNBC Global 300 Index Series is reviewed semi-annually in March and September using data from the close of business on the Monday four weeks prior to the review effective date.

6.2 The review for the FTSE CNBC Supersectors Indices will be implemented in line with the FTSE CNBC Global 300 Index.

6.3 Changes arising from the semi-annual reviews will be implemented after the close of business on the third Friday (i.e. effective Monday) of March and September.

6.4 Review process

6.4.1 All eligible securities will first be separated into their ICB supersectors and ranked by their full market capitalisation i.e. before the application of any investability weightings.

6.4.2 The 14 largest securities in each supersector will comprise the constituents of the FTSE CNBC Global 300 Index.

6.4.3 All eligible securities from emerging markets are then ranked by their full market capitalisation.

6.4.4 The largest 20 securities from the emerging markets will be added to the constituent list of the FTSE CNBC Global 300 Index.

6.4.5 Where one or more security has been selected both as a supersector constituent and an emerging market constituent, the next largest non-constituent securities from the emerging markets list will be selected until there are a total of 300 constituents.

Section 7

Corporate actions and events

7. Corporate actions and events

7.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide using 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); and
- 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.

7.2 Shares in issue

Changes to the number of shares in issue for constituent securities are covered in the Corporate Actions and Events Guide.

7.3 Additions

7.3.1 If a constituent is added to the FTSE Global All Cap Index Series, it will be eligible to be included in the FTSE CNBC Global 300 Index at the next semi-annual review.

7.4 Removal

7.4.1 If a constituent ceases to be a constituent of the FTSE Global All Cap Index Series, it will also be removed from the FTSE CNBC Global 300 Index. The removal will be concurrent with its removal from the FTSE Global All Cap Index Series.

7.4.2 When a stock is removed, it will be replaced by the highest-ranking eligible security when ranked by full market capitalisation in the relevant supersector. The data used for selecting a replacement will be as at the close of the index calculation two days prior to the deletion. Inclusion of the replacement will be concurrent with the FTSE Global All Cap Index Series.

7.5 New issues

- 7.5.1 All fast entries into the FTSE Global All Cap Index Series will also be fast entries into the FTSE CNBC Global 300 Index provided that when added to the list of constituent securities the security ranks at position 10 or above in the relevant supersector. The fast entry constituent will be added to the FTSE CNBC Global 300 Index concurrently with its inclusion in the FTSE Global All Cap Index Series. The smallest constituent security in the same supersector will be deleted from the FTSE CNBC Global 300 Index.
- 7.5.2 Any changes in the FTSE CNBC Global 300 Index will be implemented in line with the relevant FTSE CNBC Supersector Index.

7.6 Corporate action changes

- 7.6.1 If two FTSE CNBC Global 300 Index constituents merge the newly formed company is eligible to remain in the index so long as it remains a constituent of the FTSE Global All Cap Index Series. A replacement would need to be found by selecting the highest-ranking eligible security when ranked by full market capitalisation in the relevant supersector. The data used for selecting a replacement will be as at the close of the index calculation two days prior to the deletion. Inclusion of the replacement will be concurrent with the FTSE Global All Cap Index Series.
- 7.6.2 If an existing index constituent merges with a non-constituent the newly formed company will remain in the Index so long as it remains a constituent of the FTSE Global All Cap Index Series.
- 7.6.3 If an index constituent has a complex reorganisation or spin-off (de-merger), the newly spun-off company will remain eligible for inclusion into the index as long as it is a constituent of FTSE Global All Cap Index Series and provided that when added to the list of constituent securities the security ranks by their full market capitalisation at position 14 or above in the relevant supersector. The entry constituent will be added to the FTSE CNBC Global 300 Index concurrently with its inclusion in the FTSE Global All Cap Index Series. The smallest constituent security in the same Supersector will be deleted from the FTSE CNBC Global 300 Index.
- 7.6.4 Index constituent changes resulting from a split will be determined based on market values at close on day one of trading and applied with two days' notice. Consequently, the FTSE CNBC Global 300 Index may have more than 300 securities for three days.
- 7.6.5 Any changes in the FTSE CNBC Global 300 Index will be implemented in line with the relevant FTSE CNBC Supersector Index.

7.7 Classification changes

- 7.7.1 Changes to the classification of a security within the FTSE CNBC Global 300 Index are determined in accordance with the ICB rules.
- Further details can be found in the ICB Ground Rules:
[ICB Rules.pdf](#)
- 7.7.2 Where a FTSE CNBC Global 300 Index constituent changes a classification and it ranks by full market capitalisation at position 14 or above in its relevant new supersector, it will remain eligible for inclusion in the index. The smallest constituent security in the same Supersector will be deleted from the FTSE CNBC Global 300 Index. The change will be concurrent with the classification change in the FTSE Global All Cap Index Series.
- 7.7.3 Where a FTSE CNBC Global 300 Index constituent changes classification and is no longer eligible within its new associated supersector or new supersector (see rule 7.7.2), it will be removed from the FTSE CNBC Global 300 Index and a replacement will need to be found (see rule 7.4.2).

7.8 Suspended companies

- 7.8.1 Please refer to the Corporate Actions and Events Guide.

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

Appendix A

Algorithm and calculation method

The indices are calculated using the algorithm described below.

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

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; and
- 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 B

Index opening and closing hours

FTSE CNBC Global 300 Index Series	Open	Close
FTSE CNBC Global 300 Index	02:00	21:10
FTSE CNBC Supersectors Indices	02:00	21:10

Notes:

Closing values will be disseminated at 21:30.

Timings are UK hours.

During real-time calculation, Thomson Reuters Spot rates are used in calculating foreign exchange rates.

Appendix C

Country classification

The following countries are classified as developed, advanced emerging and secondary emerging in the FTSE Global Equity Index Series.

Developed countries		Advanced emerging countries	
Country name		Country name	
Australia		Brazil	
Austria		Czech Republic	
Belgium/Luxembourg		Greece	
Canada		Hungary	
Denmark		Malaysia	
Finland		Mexico	
France		South Africa	
Germany		Taiwan	
Hong Kong		Thailand	
Ireland		Turkey	
Israel		Secondary emerging countries	
Italy		Country name	
Japan		Chile	
Netherlands		China	
New Zealand		Colombia	
Norway		Egypt	
Poland		Iceland ⁶	
Portugal		India	
Singapore		Indonesia	
South Korea		Kuwait	
Spain		Pakistan	
Sweden		Peru	
Switzerland		Philippines	
UK		Romania	
USA		Saudi Arabia	
		UAE	

⁶ Iceland reclassified from frontier market to secondary emerging market status in September 2022. The inclusion of Iceland in the FTSE Global Equity Index Series was implemented in three tranches in September 2022, December 2022 and March 2023

Appendix D

Industry Classification Benchmark (ICB) supersectors

The ICB⁷ is managed on a transparent and rules-driven basis. It contains four classification levels, adding a supersector level that is used in the review process of the FTSE CNBC Global 300 Index Series. The supersectors used in the FTSE CNBC Global 300 Index Series are detailed below.

For further information, please contact FTSE Russell (see Appendix F) or visit [Industry Classification Benchmark](#).

ICB code	Supersector
6010	Energy
5520	Chemicals
5510	Basic resources
5010	Construction and materials
5020	Industrial goods and services
4010	Automobiles and parts
4510	Food, beverage and tobacco
4020	Consumer products and services
2010	Healthcare
4040	Retail
4030	Media
4050	Travel and leisure
1510	Telecommunications
6510	Utilities
3010	Banks
3030	Insurance
3510	Real estate
3020	Financial services
1010	Technology
4520	Personal care, drug and grocery stores

⁷ FTSE indices migrated to the new ICB classification system in March 2021

Appendix E

Status of indices

The FTSE CNBC Global 300 Index Series is calculated in US Dollars on a real-time basis.

The official closing price for FTSE CNBC Global 300 Index Series will be at 21:30 UK time, shortly after the close of North American securities markets.

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 CNBC Global 300 Index Series are set out in Appendix B. Variations to the official hours of the index calculation will be published by FTSE Russell.

Appendix F

Further information

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 CNBC Global 300 Index Series is available from FTSE Russell.

For contact details, please visit the FTSE Russell website or email FTSE Russell client services at info@ftserussell.com.

Website: www.lseg.com/en/ftse-russell/

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