Ground Rules

June 2026

FTSE ETF Connect Robotic Index

v1.0

The index is not, and is not intended to be, used by supervised entities in the European Union or United Kingdom and accordingly, the European Benchmark Regulation* and the UK Benchmark Regulation# do not apply to the index. Consequently, supervised entities within the European Union and the United Kingdom are not permitted to use the index as a benchmark as set out in article 3(1)(7) of the European Benchmark Regulation.

For the avoidance of doubt, neither FTSE International Limited nor any other member of the London Stock Exchange Group plc group of companies, is the benchmark administrator (as defined in article 3(1)(6) of the European Benchmark Regulation) of the index.

*_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 Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019 (which amends the European benchmark regulation in the United Kingdom)_

For avoidance of doubt, the Index methodology does not use AI technology.

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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 ETF Connect Robotic Index calculated by FTSE Russell.

1.2 The FTSE ETF Connect Robotic Index is designed to represent the performance of 30 securities involved in semiconductor, components and equipment manufacturing, automation algorithm, and automotive system within the robotics industry.

1.3 These Ground Rules should be read in conjunction with the FTSE Global Equity Index Series Ground Rules, FTSE Southbound Stock Connect Index Series Ground Rules and Corporate Actions and Events Guide for Non-Market Cap Weighted Indices, which are available at www.lseg.com/en/ftse-russell/.

1.4 The FTSE ETF Connect Robotic Index does not take account of ESG factors in its index design.

1.5 Price and net-of-tax total return indices will be calculated on an end-of-day basis.

Net-of-tax Total Return Indices are calculated based on the maximum withholding tax rates applicable to dividends received by institutional investors who are not resident in the same country as the remitting company and who do not benefit from double taxation treaties.

1.6 The index will be calculated in real time and published on an intra-second streaming basis.

1.7 The base currency for the index is Hong Kong Dollars. Index values may also be published in other currencies.

1.8 Index objective and intended use

1.8.1 The index and index statistics are intended to reflect the investment markets included in the index definitions and to facilitate the detailed analysis of such markets.

1.9 FTSE Russell

1.9.1 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.

1.9.2 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 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.[1]

2.1.2 FTSE is responsible for the daily calculation, production and operation of FTSE ETF Connect Robotic 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 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.

2.1.3 Underlying companies are governed by their respective underlying index Ground Rules and associated committees.

2.2 endments to these Ground Rules

2.2.1 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.

2.2.2 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 Ground Rules should subsequently be updated to provide greater clarity.

[1] FTSE is not the benchmark administrator of the Index Series as the term administrator is defined in the IOSCO Principles for Financial Benchmarks and 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 FTSE Global Equity Index Guide to Calculation Methods

The aim of the guide is to describe how the indices are calculated, to facilitate users' replication of the index in order to support their investment and trading activities and to assist users in understanding the factors which influence the performance of the indices.

FTSE_Global_Equity_Index__Guide_to_Calc.pdf

3.2 Corporate Actions and Events Guide

3.2.1 Full details of changes to constituent companies due to corporate actions and events can be accessed in the Corporate Actions and Events Guide for Non Market Capitalisation Weighted Indices using the following link:

Corporate_Actions_and_Events_Guide_for_Non_Market_Cap_Weighted_Indices.pdf

3.3 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 Index Policy Advisory Board for discussion before approval by the FTSE Russell Index Governance Board.

FTSE Russell's Statement of Principles can be accessed using the following link:

Statement_of_Principles.pdf

3.4 Queries and Complaints

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

Benchmark_Determination_Complaints_Handling_Policy.pdf

3.5 Index Policy for Trading Halts and Market Closures

3.5.1 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

3.6 Index Policy in the Event Clients are Unable to Trade a Market or a Security

3.6.1 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

3.7 Recalculation Policy and Guidelines

3.7.1 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 should be recalculated and/or associated data products reissued. Users of the FTSE ETF Connect Robotic 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 contacting info@ftserussell.com.

Recalculation_Policy_and_Guidelines_Equity_Indices.pdf

3.8 Policy for Benchmark Methodology Changes

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

Policy_for_Benchmark_Methodology_Changes.pdf

3.9 FTSE Russell Governance Framework

3.9.1 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 ensure compliance with the IOSCO Principles for Financial Benchmarks[2], the European benchmark regulation[3] and the UK benchmark regulation[4]. The FTSE Russell Governance Framework can be accessed using the following link:

FTSE_Russell_Governance_Framework.pdf

3.10 Real Time Status Definitions

3.10.1 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

[2] IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013.
[3] 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.
[4] The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019.

Section 4
Eligible securities

4. Eligible securities

4.1 The eligible securities of the FTSE ETF Connect Robotic Index consist of:

Eligible securities	Index universe
US listed securities	FTSE Global All Cap Index
Hong Kong listed securities	FTSE Southbound Stock Connect All Cap Index

Section 5

Periodic reviews and weighting methodology

5. Periodic reviews and weighting methodology

5.1 Review dates

5.1.1 The FTSE ETF Connect Robotic Index is reviewed semi-annually in March and September, based on the security prices as at the close of the Wednesday before first Friday of the review month (price cut-off date).

5.1.2 The review is implemented after the close of business on the third Friday (i.e. effective the following Monday) of the review month.

5.1.3 An additional rebalance of the index will be conducted at month-end of every March and September according to Rule 5.3.6. Changes will be effective after the open of the last business day of both Hong Kong and US market in the review month using the prices three days before effective date.

5.2 Constituents selection criteria

5.2.1 Business Activities and Keywords Screening

Eligible securities are screened based on the TRBC Activity classification data and Business Description data as at the close of the Wednesday before the first Friday of the review month.

Business Activities are categorized into two fields: player and supporter. For Business Activities with no keyword requirements, securities classified under such business activities are eligible for inclusion. For Business Activities with keyword requirements, securities classified under such business activities are eligible for inclusion only if their business description includes at least one of the keywords listed in the below table. General keywords include “robot, humanoid, automatic, automate, automation”.

TRBC Activity Code	TRBC Activity Name	Field	Keywords
5010302010	Oil Related Services and Equipment (NEC)	Player	General keywords
5120107013	Mining Machinery & Equipment Manufacturing	Player	General keywords
5210101010	Aerospace & Defense (NEC)	Player	General keywords
5210201010	Industrial Machinery & Equipment (NEC)	Player	General keywords
5210201012	Industrial Machinery	Player	General keywords

TRBC Activity Code	TRBC Activity Name	Field	Keywords
5210201014	Testing & Measuring Equipment	Player	General keywords, ‘machine vision”
5210201022	Machine Tools	Player	General keywords
5210203010	Electrical Components & Equipment (NEC)	Player	General keywords
5310101014	Electric (Alternative) Vehicles	Player	
5310102014	Automotive Systems	Player	
5320403010	Appliances, Tools & Housewares (NEC)	Player	General keywords
5610101010	Advanced Medical Equipment & Technology (NEC)	Player	‘robot’
5610101015	Medical Software & Technology Services	Player	General keywords
5610102010	Medical Equipment, Supplies & Distribution (NEC)	Player	General keywords
5710101010	Semiconductors (NEC)	Supporter	
5710102010	Semiconductor Equipment & Testing (NEC)	Supporter	
5710102012	Semiconductor Testing Equipment & Service	Supporter	
5710401010	Electronic Equipment & Parts (NEC)	Player	General keywords
5710401012	Advanced Electronic Equipment	Player	General keywords
5710401014	Electronic Components	Player	General keywords
5710602011	Phones & Smart Phones	Player	‘electric vehicle’
5720101016	Machine Learning & Artificial Intelligence (AI) Services	Player	
5720102010	Software (NEC)	Supporter	‘automate’, ‘automation’
5720102012	Application Software	Supporter	General keywords
5720102013	Enterprise Software	Supporter	General keywords

5.2.1.1 The Reference data Business Classification

5.2.1.1.1 Constituents in the FTSE ETF Connect Robotic Index are classified into Economic sectors, Business sectors, Industry Groups, Industries and Activities as defined by The Reference data Business Classfification (TRBC).

5.2.1.1.2 Details of the TRBC Classification are available from FTSE Russell and can be accessed using the following link:

[TRBC Sector Classification]

5.2.1.2 The Reference data Business Description

Worldscope company descriptions ("Business Description") provide details of the primary commercial activities that a company undertakes. This description serves as an input for keyword, and is used in conjunction with TRBC Activity data when determining eligibility for index inclusion.

The keyword screening requirement applies only to new additions to the index. Existing constituents are exempt from this screening criterion.

5.2.2 Selection

5.2.2.1 An adjusted free float market capitalisation (AMcap) for each eligible security is calculated as:

- For securities whose business description includes 'robot', the adjusted free float market capitalisation equals twice its free float market capitalisation;
- For securities whose business description does not include 'robot', the adjusted free float market capitalisation equals its free float market capitalisation.

5.2.2.2 The top 20 and top 10 eligible securities that fulfilled Rule 5.2.1 with the highest AMcap are selected from Hong Kong and US eligible securities respectively.

5.2.2.3 At each review, 30 eligible securities are selected to form the index. If the number of eligible securities in the Hong Kong market is less than 20, additional US securities will be selected until the number of constituents reaches 30.

5.2.2.4 The constituent selection is based on the security prices available at the close of Wednesday before first Friday of the review month.

5.3 Weighting methodology

5.3.1 The constituents of FTSE ETF Connect Robotic Index are weighted by adjusted investable market capitalisation defined in Rule 5.2.2.1.

5.3.2 The weighting of the FTSE ETF Connect Robotic Index is allocated to following markets.

Market	Weighting
Hong Kong listed	65%
US listed	35%

5.3.3 The market allocation will be based on prices at close on the capping price date of the review month using shares in issue and investability weights as designated to take effect on the review effective date of the review month.

5.3.4 The capping price date is defined as follows:

– For the review conducted under Rules 5.1.1 and 5.1.2, the capping price date will be the second Friday of the review month.

– For the additional rebalance conducted under Rule 5.1.3, the capping price date will be the T-3 of last business day of the review month.

5.3.5 Constituents are capped on a semi-annually basis (March and September) according to the rules below:

- Constituents classified as player are subject to a company-level capping of 15%; and
- Constituents classified as supporter are subject to a company-level capping of 5%.

Excess weight is distributed pro rata across all companies within fields with spare capacity. Following capping, the weight of each constituent in the index moves freely in line with price movements.

5.3.6 An additional rebalance of the index will be conducted at month-end of every March and September.

5.3.6.1 If on T-3 of last business day of the review month, the total weight of US listed constituents is less than or euqal to 35%, the weight of Hong Kong listed constituents and US listed constituents will not be rebalanced to 65%/35%.

5.3.6.2 If on T-3 of last business day of the review month, the total weight of US listed constituents is greater than 35%, the weight of Hong Kong listed constituents and US listed constituents will be rebalanced according to rule 5.3.2 (65/35 rule) effective after the open of the last business day of the review month using the prices three days before effective date.

5.3.7 The calculation of the constituent capping factors will be based on prices at close on the capping price date of the review month using shares in issue and investability weights as designated to take effect on the review effective date (rule 5.1) of the review month.

5.3.8 The calculation will take into account any corporate actions/events that take effect after close on the capping price date of the review month up to and including the review effective date if they have been announced and confirmed by the capping price date of the review month.

5.3.9 Corporate actions/events announced after the capping price date of the review month that become effective up to and including the review effective date will not result in any further adjustment.

Section 6

Changes to constituent companies

6. Changes to constituent companies

6.1 Intra-review additions

6.1.1 The FTSE ETF Connect Robotic Index will not accept intra-review additions, subject to the treatment of spin-offs as detailed in Section 7. Additions to the index will be considered for inclusion at the next semi-annual review.

6.2 Intra-review deletions

6.2.1 A constituent will be removed from the FTSE ETF Connect Robotic Index if it is also removed from the underlying universes (Rule 4.1). The deletion from FTSE ETF Connect Robotic Index will be concurrent with its deletion from the underlying universes. The weight of the deleted security will be distributed pro-rata amongst the remaining constituents of FTSE ETF Connect Robotic Index.

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 for Non Market Capitalisation Weighted Indices using the following link:

Corporate_Actions_and_Events_Guide_for_Non_Market_Cap_Weighted_Indices.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 Russell will provide notice advising of the timing of the change.

7.2 Takeovers, mergers and spin-offs

The treatment of takeovers, mergers and spin-offs can be found within the respective Corporate Actions and Events Guide for Market Cap Weighted Indices.

7.3 Suspension of dealing

Suspension of dealing rules can be found within the Corporate Actions and Events Guide for Market Cap Weighted Indices .

Section 8

Treatment of dividends

8. Treatment of dividends

8.1 Declared dividends are used to calculate the Standard Net Total Return Index. All dividends are applied as at the ex-div date.

8.2 The net of tax Total Return Index also calculated based on the maximum withholding tax rates applicable to dividends received by institutional investors who are not resident in the same country as the remitting company and who do not benefit from double taxation treaties.

Withholding tax rates used in the net-of-tax indices can be accessed using the following link:

Withholding_Tax_Service

Please also refer to the FTSE Russell Withholding Tax Guide which can be accessed using the following link:

FTSE_Russell_Withholding_Tax_Guide.pdf

Section 9
Index calculation

9. Index calculation

9.1 Calculation frequency

9.1.1 FTSE ETF Connect Robotic Index use actual closing mid-market or last trade prices, where available, for securities with local bourse quotations.

9.2 Index calculation

9.2.1 FTSE ETF Connect Robotic Index will be calculated to an accuracy of eight decimal points.

9.2.2 FTSE ETF Connect Robotic Index are 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,

- $i = 1, 2, \ldots, N$
- N is the number of securities in the FTSE ETF Connect Robotic 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 eligible index.
- c_i is the weight adjustment factor (WAF) to be applied to a security to correctly weight that security 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

Calculation schedule

Index	Open	Close
FTSE ETF Connect Robotic Index	09:30	05:10 (+1)*

**The "+1" represents for the next calendar day.*

All times are local Hong Kong Time.

The FTSE ETF Connect Robotic Index is calculated on public holidays whenever at least one eligible exchange is trading. The indices will not be calculated on 1 January.

The official closing index value non-base currency will be calculated after receipt of the WMR FX Benchmarks Closing Spot Rates at 16:00 UK time.

Appendix B

Status of indices

The FTSE ETF Connect Robotic Index will be calculated in real time.

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

Real_Time_Status_Definitions.pdf

Appendix C

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 ETF Connect Robotic Index is available from FTSE Russell.

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

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

Disclaimer

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