

# FTSE ADX Index Series



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RUSSELL**

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## 1. About the FTSE Russell and ADX Index Partnership

FTSE Russell signed an index partnership with the Abu Dhabi Securities Exchange (ADX) to become its benchmark administrator for domestic equity indexes in Abu Dhabi.

The aim of the partnership is to create a comprehensive world-class suite of complimentary indexes that meet the needs of both retail and institutional investors, locally and globally.

The indexes are designed to provide market participants with a robust set of accurate and transparent performance benchmarks and analytical tools, and a foundation for next generation index linked investment vehicles, including Exchange Traded Funds (ETFs), derivatives, and OTC products.

Under the agreement, FTSE Russell will begin providing daily index calculations on the existing domestic equity indexes from **Monday 10<sup>th</sup> January 2022**, and the indexes will transition to **FTSE Russell's gold-standard** index methodology.

Going forward, FTSE Russell will work with ADX to develop new benchmarks for the Abu Dhabi Securities Exchange (ADX), providing additional choice and new opportunities for investors. New indexes to be introduced under the partnership will focus on creating new benchmarks for the ADX main market and the second market. The co-development will also explore introducing sustainable finance and Shariah compliant indexes going ahead.

For more information about the partnership announcement, please go to:

[Abu Dhabi Securities Exchange \(ADX\) selects FTSE Russell as benchmark administrator for tailored domestic indexes | FTSE Russell](#)

### FTSE Russell Overview

FTSE Russell is a global index leader that provides innovative benchmarking, analytics, and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors worldwide. Approximately \$17.9 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers, and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

For more information, visit [www.ftserussell.com](http://www.ftserussell.com).

### Abu Dhabi Securities Exchange (ADX) Overview

Abu Dhabi Securities Exchange (ADX) was established on November 15<sup>th</sup>, 2000 by Local Law No. (3) Of 2000, the provisions of which vest the market with a legal entity of autonomous status, independent finance, and management. The Law also provides ADX with the necessary supervisory and executive powers to exercise its functions. On March 17<sup>th</sup>, 2020, ADX was converted from a "Public Entity" to a "Public Joint Stock Company PJSC" pursuant to law No. (8) of 2020. ADX is part of ADQ, one of the region's largest holding companies with a broad portfolio of major enterprises spanning key sectors of Abu Dhabi's diversified economy.

ADX is a market for trading securities; including shares issued by public joint stock companies, bonds issued by governments or corporations, exchange traded funds, derivatives and any other financial instruments approved by the UAE Securities and Commodities Authority (SCA).

ADX is the second largest market in the Arab region and its strategy of providing stable financial performance with diversified sources of incomes is aligned with the guiding principles of the UAE “Towards the next 50” agenda. The national plan charts out the UAE’s strategic development scheme, which aims to build a sustainable, diversified and high-value added economy that positively contributes to transition to a new global sustainable development paradigm.

ADX’s indexes cover over 69 listed companies with a total market capitalisation of approximately \$360 billion at the end of November 2021. Financial institutions and asset owners use indexes for various purposes, including benchmark performance, obtaining more information on product development, conducting market research and analysis, and underpinning exchange-traded funds (ETFs).

## 2. What changes are being made to the existing ADX indexes as a result of this partnership?

Under the terms of the agreement, from **Monday 10<sup>th</sup> January 2022**, FTSE Russell will provide the daily index calculations on the ADX General Index, which includes all companies listed on the Abu Dhabi Securities Exchange (ADX), and the ten sector-specific indexes (Consumer Discretionary, Consumer Staples, Energy, Financial, Healthcare, Industrials, Utilities, Basic Material, Real Estate & Telecommunications).

The ADX General Index (“ADI”) is re-branded as the FTSE ADX General Index (‘FADGI’) and the ADX Sector Indexes are replaced by ten (10) new FTSE ADX Sector Indexes, based on the Industry Classification Benchmark (ICB).

For further information regarding the rules for the management of the ICB, go to [www.icbenchmark.com](http://www.icbenchmark.com).

## 3. What enhancements are being made to the index methodology?

The FTSE ADX Index Series will adopt a new transparent and rules-based construction process in accordance with FTSE Russell’s global best practice standards of index governance, which is available to download at <https://www.ftserussell.com/products/indexes/adx>.

## 4. Will there be any changes to the index constituents and index values on the transition date as a result of the changes to the Ground Rules?

On the transition date of Monday 10<sup>th</sup> January, 2022, the FTSE ADX General index constituents and index value will transfer over and remain the same.

## 5. What indexes are included in the FTSE ADX Index Series?

The FTSE ADX Index Series is made up of following indexes:

FTSE ADX General Index – consisting of all companies that have a primary listing on Abu Dhabi Securities Exchange, subject to conforming to all other rules of eligibility and free float.

FTSE ADX Sector Indexes – sub indexes of the FTSE ADX General Index, based on the industries of the FTSE Russell ICB classification:

Index Code	Index Name
FADGI	FTSE ADX General Index
FADTELI	FTSE ADX Telecommunications Index
FADHCI	FTSE ADX Health Care Index
FADFSI	FTSE ADX Financials Index
FADREI	FTSE ADX Real Estate Index
FADCDI	FTSE ADX Consumer Discretionary Index
FADCSI	FTSE ADX Consumer Staples Index
FADGII	FTSE ADX Industrials Index
FADENI	FTSE ADX Energy Index
FADUTI	FTSE ADX Utilities Index
FADBMI	FTSE ADX Basic Materials Index

All the indexes have a price and total return end of day index calculation. The total return methodology is based on FTSE Russell's existing methodology. Total Return Indexes (TRI) are indexes which measure the total return on the underlying constituents, combining both capital performance and reinvested income.

## 6. How will the indexes be governed?

To oversee its indexes, FTSE Russell employs a governance framework that encompasses product, service, and technology governance. The framework incorporates 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, the European benchmark regulation, and the UK benchmark regulation. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

## 7. What securities are eligible for inclusion?

**Index Universe** – The universe of eligible constituents is all the companies that have a primary listing on Abu Dhabi Stock Exchange. Only ordinary shares are considered for Index inclusion.

**Foreign shares** – Foreign shares whose only listing is on Abu Dhabi Stock Exchange (exclusive listings) are eligible for inclusion into the indexes.

**Multiple lines** – Where there are multiple lines of equity capital in a company, all are included and priced separately, provided that they pass index eligibility screens in their own right.

**Closed End Investments and Non-equity Investment Instruments** – Companies whose business is that of holding equity and other investments (e.g. Investment Trusts) which are classified by the Industry Classification Benchmark as Subsector Closed End Investments (30204000) and non-equity investment instruments classified by the Industry Classification Benchmark as Subsector Open End and Miscellaneous Investment Vehicles (30205000) will not be eligible for inclusion.

## 8. What are the index qualification criteria?

**Free float** – To be included in the Index, a stock must pass free float criteria. Companies with a free float of 5% or below are excluded from the index. Free float is calculated using available published information rounded to 12 decimal places.

**Investability Weightings** – The entire quoted equity capital of a constituent company is included in the calculation of its market capitalisation, subject to free float restrictions. The FTSE ADX Index Series is adjusted for free float.

## 9. How often will the FTSE ADX Index Series be reviewed, and how will the review be implemented?

The FTSE ADX Index Series is reviewed semi-annually in March and September. The Index constituents will be compiled using market data as at the close of the second Thursday in February and August respectively.

Changes arising from the reviews will be implemented after the close on the Sunday, following the third Friday of March and September (effective Monday). FTSE will be responsible for publicizing the outcome of the periodic review.

## 10. How are corporate actions and events treated?

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. The index will be adjusted in line with 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.

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](#)

Further information on the treatment of new issues, shares in issue, investability weightings, deletions and replacements, mergers, restructuring and complex takeovers, and suspended companies can be found in the Ground Rules at <https://www.ftserussell.com/products/indexes/adx>.

## 11. What are the index opening and closing hours?

Index	Open	Close
FTSE ADX General Index	10:00	15:00
FTSE ADX Sector Indexes	10:00	15:00

Monday to Friday, all times are GST (Gulf Standard Time)

## 12. How is the Real-Time index data distributed in the UAE and internationally?

All FTSE ADX Indexes will be calculated in real-time and published every 15 seconds during their opening hours using real-time prices. Index values can be obtained directly from FTSE or via Data Vendors. ADX market data clients also get the real-time FTSE ADX Indexes via JSON feed. For more information, please write to:

ADX Products: [index@adx.ae](mailto:index@adx.ae)

HelpDesk: [ithelpdesk@adx.ae](mailto:ithelpdesk@adx.ae)

## 13. Who do I contact to subscribe to Real-Time index data?

ADX Products: [index@adx.ae](mailto:index@adx.ae)

FTSE Russell Client Services: [info@ftserussell.com](mailto:info@ftserussell.com)

## 14. Who do I contact to subscribe to End-of-Day product files?

FTSE Russell regional client service teams: <https://www.ftserussell.com/contact>

FTSE Russell Client Services: [info@ftserussell.com](mailto:info@ftserussell.com)

ADX Products: [index@adx.ae](mailto:index@adx.ae)

## 15. What type of product files will FTSE ADX Index Series subscribers receives?

A new set of End-of-Day index data files will be made available in the original CSV form as provided by FTSE Russell, via the FTSE Russell Data Delivery Service ("FTSE DDS").

FTSE ADX test data files are available now as part of the client parallel period leading up to the launch date via the FTSE Russell Data Delivery Service ("FTSE DDS").

## 16. How much will it cost to subscribe to FTSE ADX index data?

A separate Index Data commercial package will be introduced for use of the FTSE ADX Index Series. The new Indexes will introduce a globally recognized data set and new data products.

Contact us about licensing index data:

FTSE Russell regional client service teams: <https://www.ftserussell.com/contact>

ADX Products teams: [index@adx.ae](mailto:index@adx.ae)

## ABOUT FTSE RUSSELL

FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner, we help investors make better-informed investment decisions, manage risk, and seize opportunities.

Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers, and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis, and risk management, and value us for our robust governance process and operational integrity.

For over 35 years, we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open new opportunities for the global investment community.

## CONTACT US

To learn more, visit [sef.com/ftse-russell](http://sef.com/ftse-russell); email [info@ftserussell.com](mailto:info@ftserussell.com); or call your regional Client Service team office:

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