

Treatment of Canada and the USA within the FTSE Global Equity Index Series

FAQ

v1.0

Overview of changes

FTSE Russell will be separating Canada and the USA into standalone regional reviews within the FTSE Global Equity Index Series (GEIS), effective from the FTSE GEIS September 2025 semi-annual review.

The following FAQ details the index review implementation plan for the Canadian and USA designated securities within FTSE GEIS.



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1. Why is FTSE Russell separating Canada and the USA into standalone regional reviews within the FTSE Global Equity Index Series (GEIS)?

The FTSE Global Equity Index Series (GEIS) is reviewed semi-annually based on eight review regions in which the United States and Canada are combined into a single North America region for company ranking and size cut-off determination. However, the significant growth of the United States over the last 10+ years has had a direct impact on the number of Canadian companies represented within the FTSE Global All Cap Index.

To address the impact that the significant growth of the US equity market has had on the representation of Canada within FTSE GEIS, FTSE Russell is separating the FTSE North America regional review into standalone FTSE Canada and FTSE USA review regions. This treatment is similar to the treatment of standalone FTSE Japan and FTSE China review regions due to their relative size within the Asia Pacific region.

2. When is FTSE Russell separating the FTSE North America regional review into standalone FTSE Canada and FTSE USA review regions?

FTSE Russell is separating FTSE Canada and FTSE USA into standalone regional reviews in conjunction with the FTSE GEIS September 2025 semi-annual review, effective from the open on Monday 22 September 2025.

3. How will the change be implemented?

The separation of FTSE Canada and FTSE USA into standalone regional reviews will be implemented as follows:

- Existing Canadian index constituents that are designated as Large, Mid or Small Cap will be transitioned to their new size segment (Large, Mid, Small or Micro Cap) in a single tranche in conjunction with the FTSE GEIS September 2025 semi-annual review.
- Existing Canadian index constituents that are designated as Micro Cap which are scheduled to be promoted to Large, Mid or Small Cap at the September 2025 index review will be deleted from Micro Cap. Subsequently, the deleted Micro Cap securities and any new additions to the FTSE Canada All Cap Index will be transitioned to their new size segment in three tranches, as follows:
 - Tranche 1 - 35% of their investability weight in conjunction with the FTSE GEIS September 2025 semi-annual review, effective from the open on Monday 22 September 2025.
 - Tranche 2 - 30% of their investability weight in conjunction with the FTSE GEIS December 2025 quarterly review, effective from the open on Monday 22 December 2025. Resulting in an aggregated tranching factor of 65% (35% plus 30%).

- Tranche 3 - 35% of their investability weight in conjunction with the FTSE GEIS March 2026 semi-annual review, effective from the open on Monday 23 March 2026. Resulting in an aggregated tranching factor of 1 (35% plus 30% plus 35%)

For the avoidance of doubt, if an existing Canadian Micro Cap security with an investability weight of 50% is being promoted to Small Cap at the September 2025 index review, the security will be deleted from Micro Cap and will be transitioned to Small Cap as follows:

- Tranche 1 - the security will be added to Small Cap at the September 2025 index review with an initial investability weight of 17.5% (50% investability weight multiplied by the tranche 1 factor of 35%).
 - Tranche 2 – the investability weight of the security will increase from 17.5% to 32.5% at the December 2025 index review (50% investability weight multiplied by the aggregated tranche factor of 65%).
 - Tranche 3 – the investability weight of the security will increase from 32.5% to 50% at the March 2026 index review thereby reflecting the final investability weight of the security.
- New additions to Canada Micro Cap size segment will be added in a single tranche in conjunction with the FTSE GEIS September 2025 semi-annual review.
 - Index changes for securities designated as USA will be implemented in a single tranche across all size segments in conjunction with the FTSE GEIS September 2025 semi-annual review, effective from the open on Monday 22 September 2025.

4. Why are only certain Canadian securities being tranced?

Only Canadian Micro Cap securities that are being promoted to Large, Mid or Small Cap, plus new additions to the FTSE Canada All Cap Index at the September 2025 index review are being tranced to support index users in their ability to replicate changes to the FTSE GEIS benchmark.

5. What will be the treatment of tranced constituents that are scheduled to have a change in the full investability weight at the December 2025 or March 2026 index review?

If a Canadian index constituent that is being tranced to a new size segment is having a change in its investability weight at the December 2025 index review, then the tranced investability weight will be based on the new investability weight multiplied by the tranching factor.

For the avoidance of doubt, a security with a final investability weight of 50% has been added to its new size segment at the September 2025 index review with a Tranche 1 investability weight of 17.5%. For example, at the December 2025 index review the security is scheduled to have an increase in its investability weight from 50% to 60%, subsequently the Tranche 2 investability weight of the security will be 39% (new investability weight of 60% multiplied by the Tranche 2 factor of 65%). At the March 2026 index review the investability weight of the security will increase from 39% to 60%.

6. What will be the treatment of new additions to the FTSE Canada All Cap Index at the December 2025 and March 2026 index reviews?

New adds to the FTSE Canada All Cap Index at the December 2025 and March 2026 index reviews will be added at their full investability weight in a single tranche. For Canadian index constituents that are being tranced, what investability weight will be used to conduct the liquidity screen for the FTSE GEIS March 2026 semi-annual review?

For Canadian index constituents that are being tranced, their final investability weight will be used to conduct the liquidity screen for the FTSE GEIS March 2026 semi-annual review.

For the avoidance of doubt, if a Canadian index constituent has a final investability weight of 50%, however due to tranching it has an investability weight of 32.5% as of the cut-off date for the March 2026 index review, an investability weight of 50% will be used to conduct the liquidity screen for the FTSE GEIS March 2026 semi-annual index review.

7. When will the initial list of Canadian securities that are to be tranced be published?

The initial list of Canadian securities that are being tranced will be published from Friday 22 August 2025.

8. What are the projected full and investable market capitalisation thresholds for Canada as a standalone regional review?

The following table shows the projected changes in breakpoints based on a hypothetical review as of September 2024.

Breakpoints	Actual North America Index Review	Hypothetical FTSE USA Review	Difference	Hypothetical FTSE Canada Review	Difference
Capped Regional Universe	59,196,712.17	56,528,113.17	(2,668,598.99)	2,668,598.99	(56,528,113.17)
Index Universe (98% Regional Universe)	58,012,802.40	55,398,073.09	(2,614,729.30)	2,615,294.71	(55,397,507.69)
Large Cap Entry (68%)	64,951.49	71,804.52	6,853.03	20,383.99	(44,567.51)
Large Cap Exit (72%)	50,547.20	56,608.10	6,060.90	17,446.72	(33,100.48)
Mid Cap Entry (86%)	18,872.36	20,409.36	1,537.00	5,337.19	(13,535.17)
Mid Cap Exit (92%)	9,536.33	10,316.13	779.80	2,567.01	(6,969.33)
Small Cap Entry (98%)	3,220.37	3,520.05	299.67	932.79	(2,287.58)
Small Cap Exit (101%)	862.82	989.05	126.23	266.23	(596.59)
Small Cap Entry (Investable Inclusion)	1,028.80	940.30	(88.50)	150.00	(878.80)
Small Cap Exit (Investable Exclusion)	257.20	235.07	(22.13)	30.00	(227.20)
All World (Inclusion Level)	21,158.15	20,316.27	(841.88)	841.88	(20,316.27)

9. What are the projected weights of Canada as a standalone regional review?

The following table shows the projected index security counts and weights based on a hypothetical review as of September 2024, followed by projected additions and deletions and associated investable market cap changes.

FTSE Canada All Cap Index	Live Index Review	Hypothetical Index Review
Number of constituents	161	220
Large	13	38
Mid	34	43
Small	114	139
Constituent sizes (USD million)		
Weight of largest constituent (%)	7.00%	6.78%
Top 10 Holdings (% Index market cap)	37.15%	36.01%
Large	42.73%	71.18%
Mid	36.54%	17.49%
Small	20.72%	11.34%
Total portfolio size (net market cap USD million)	2,143,419.24	2,211,160.21
Average	13,313.16	10,050.73
Largest	149,953.35	149,953.35
Smallest*	379.76	379.76
Median	4,823.16	2,529.11

*the smallest stock by net market capitalisation in the FTSE Canada All Cap Index remains the same due to inclusion being based on the lower buffer for the Small Cap size segment.

FTSE Canada Total Cap Index	All-World	Small Cap	Micro Cap
Number of additions	34	62	3
Investable market cap (USDm) additions	241,831	70,139	1,951
Number of deletions	0	37	65
Investable market cap (USDm) deletions	0	263,430	71,486
Regional two-way turnover	0.27%	3.22%	4.97%
Country two-way turnover	13.32%	59.31%	52.68%

10. For Canadian index constituents that are being tranced, what investability weight will be used to conduct the liquidity screen for the FTSE GEIS March 2026 semi-annual review?

For Canadian index constituents that are being tranced, their final investability weight will be used to conduct the liquidity screen for the FTSE GEIS March 2026 semi-annual review.

For the avoidance of doubt, if a Canadian index constituent has a final investability weight of 50%, however due to trancing it has an investability weight of 32.5% as of the cut-off date for the March 2026 index review, an investability weight of 50% will be used to conduct the liquidity screen for the FTSE GEIS March 2026 semi-annual index review.

11. How will new Canadian additions to FTSE GEIS post-September 2025 be treated?

New Canadian additions to FTSE GEIS resulting post the September 2025 semi-annual review will be added in a single tranche at the full investability weight. For example, in accordance with the ground rules any Canadian fast entry addition will be added to the FTSE Canada All Cap Index based on the shares offered at the time of the Initial Public Offering in a single tranche.

12. How will Canadian securities be treated in derived and custom indices which are based on a FTSE GEIS universe?

Canadian securities within derived and custom indices which are based on a FTSE GEIS universe follow the same index treatment as detailed in Question 3.

For more information about our Indices, please visit lseg.com/en/ftse-russell.

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