July 2026

Statement of Principles

v3.2

For FTSE Russell Equity Indices

This Statement of Principles applies to any index series specifically referenced in the FTSE Index Ground Rules or Russell US Indices Construction and Methodology document.

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Indices need to keep abreast of changing markets and the published index methodology documents including the FTSE index Ground Rules, the FTSE Russell Corporate Actions and Events Guide for Market Capitalisation Weighted Indices, the FTSE Russell Corporate Actions and Events Guide for Non-Market Capitalisation Weighted Indices and the Russell US Indices Construction and Methodology document – collectively referred to in this Statement as the "Index Methodology" – cannot anticipate every eventuality. For equity indices where the Index Methodology does not fully cover a specific event or development, FTSE Russell[1] will determine the appropriate treatment by reference to the Guiding Principles, set out below, which summarise the ethos underlying FTSE Russell's approach to such indices. Other indices may apply different principles as specified in their Index Methodology.

Where there is an actual or potential conflict between the Index Methodology and this Statement of Principles concerning any decision required for the management of the index series, precedence shall be given to this Statement of Principles. In such circumstances or when application of the Index Methodology may reasonably be expected to lead to market distortion, FTSE Russell shall apply an exception to the Index Methodology. Any such exception to the Index Methodology should be reviewed by the FTSE Russell Policy Team after which a recommendation will be presented to the FTSE Russell Index Governance Board for approval. Decisions by FTSE Russell may be subject to appeal on grounds and by parties specified in the Index Methodology.

This 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. This Statement of Principles applies only to those index series where the Statement of Principles is specifically referenced in the Index Methodology.

1. The indices and index-related statistics are intended to reflect the investment markets or underlying interests included in the index definitions. The composition of indices will be reviewed periodically to ensure that they remain investable and representative of the markets or underlying interests included in the index descriptions set against the objectives of avoiding inconsequential changes and implementing updates efficiently.
2. The index calculation methods and index methodologies should be capable of being readily understood and replicated by index users. In so far as possible, the data points which determine index composition and the index calculation should only use data that is in the public arena. However, proprietary data from FTSE Russell or other parties involved in the calculation of FTSE Russell non-capitalisation weighted indices may be subject to limitations on its use and its circulation to third parties. In the event that the index calculation or the index methodology cannot be replicated due to exceptional market conditions or unforeseen specific security circumstances, FTSE Russell may consult with a range of index users and market participants before deciding index treatment, to ensure the replicability of the index.
3. Corporate data used in the indices should originate from an authoritative source, which will normally be published by constituent companies and reproduced where appropriate by reliable market vendors. Market prices used in index calculations should be taken from reliable sources and reflect the terms on which trades have taken place in the open market.
4. The treatment of corporate events should reflect how such events are likely to be dealt with in investment portfolios to maintain the portfolio structure in line with the index objective and intended use of the index.
5. The implementation of index changes should aim to minimise the trading activity required by investors to replicate the index performance.

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6. To promote the predictability of index treatment of corporate events, stability in calculation methods and in the use of data should be maintained wherever practical. In assessing best practice, FTSE Russell may consult as it considers appropriate to ensure that indices continue to meet current and future market needs.
7. To ensure that no index user can procure any advantage from predicting the future composition of an index, the Index Methodology shall include a description of the use of any company data that is required to determine the eligibility and weightings of index constituents. FTSE Russell will make available information regarding periodic index reviews to all users simultaneously.
8. The interests of all users should be considered in managing the indices and decisions taken independent of any single interest group. In determining index policy, unless issues relate to a single or specific group of markets, global consistency of treatment should apply as far as practical and decisions incorporate the views of all users.

Further information

For further information on FTSE Russell Indices please visit www.lseg.com/en/ftse-russell/ or email info@ftserussell.com. Contact details can also be found on this website.

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