

# FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index

v1.0



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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 Custom Global Core Infrastructure Selected Countries Screened 50/50 Index. Copies of the Ground Rules are available from FTSE International Limited (“FTSE”).
- 1.2 The FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index is designed to reflect the performance of a diversified index across six FTSE-defined infrastructure sectors that excludes companies based on their specific product involvement or conduct-related activities.
- 1.3 The FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index takes account of ESG factors in its index design. Please see further details in section 4 and 5.
- 1.4 The base currency of the index is US Dollars (USD).
- 1.5 FTSE’s definition of infrastructure is the starting point for the design of the FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index. FTSE defines infrastructure as: companies that own, manage or operate structures or networks, which are used for the processing or movement of goods, services, information/data, people, energy and necessities from one location to another.  
  
FTSE’s definition also includes the businesses that provide the means of conveyance and the conveyance itself, not the goods or services that are carried by the conveyance. This includes both the network (e.g. roads, bridges, tunnels, pipelines, wires, wireless, depots, ports, airports, etc.) and the actual rolling stock that conveys the goods, services, information/data, people, energy and necessities.
- 1.6 The FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index weights its constituents according to their investable market capitalisation (after the application of free float and foreign ownership restrictions) in the index calculation.
- 1.7 Price and total return indices are published in their calculated currencies at the end of each business day. The total return index is based on ex-dividend adjustments.
- 1.8 Unless specifically detailed in this document, the methodology and management of the FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index is based on the FTSE Global Equity Index Series Ground Rules. The FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index methodology should therefore be read in conjunction with these Ground Rules, which are available on FTSE Russell’s website ([www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/)).
- 1.9 **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, The Yield Book Inc and Beyond Ratings.

- 1.10 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 that 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.
- 1.11 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;
  - any inaccuracies in these Ground Rules;
  - 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

2.1.1 FTSE is the benchmark administrator of the index series<sup>1</sup>.

2.1.2 FTSE is responsible for the daily calculation, production and operation of the FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 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 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.

### 2.2 LPX Group

2.2.1 LPX Group will apply the list of ICB Subsectors to determine which companies are eligible for inclusion in each core infrastructure and infrastructure-related sector. LPX Group will use the list of “included” and “excluded” business lines to filter the list of companies. The resulting companies will form the list of eligible constituents for each sector.

LPX Group will conduct research to determine the percentage of a company’s revenue derived from core or related infrastructure activities. These revenue percentages will determine whether a company will be included in the core infrastructure index or the infrastructure opportunities index.

### 2.3 Amendments to these Ground Rules

2.3.1 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 series. 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.

<sup>1</sup> 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 Queries and Complaints

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

[Benchmark Determination Complaints Handling Policy.pdf](#)

### 3.3 Index Policy for Trading Halts and Market Closures

3.3.1 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](#)

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

3.4.1 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](#)

### 3.5 Recalculation Policy and Guidelines

3.5.1 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 Custom Global Core Infrastructure Selected Countries Screened 50/50 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](mailto:info@ftserussell.com).

[Recalculation Policy and Guidelines Equity Indices.pdf](#)

### 3.6 Policy for Benchmark Methodology Changes

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

[Policy for Benchmark Methodology Changes.pdf](#)

### **3.7 FTSE Russell Governance Framework**

3.7.1 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 Benchmarks<sup>2</sup>, the European benchmark regulation<sup>3</sup> and the UK benchmark regulation<sup>4</sup>. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

### **3.8 Real Time Status Definitions**

3.8.1 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](#)

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<sup>2</sup> IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013.

<sup>3</sup> 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.

<sup>4</sup> The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019.

## Section 4

# Eligible securities

## 4. Eligible securities

4.1 The eligible universe is comprised of the current constituents of the FTSE Global All Cap Index Series. Only constituents of the FTSE Global All Cap Index Series from a specific list of countries are eligible for this index. Please refer to Appendix B for further information on eligible countries.

4.2 The index will obtain its constituents from the following Industry Classification Benchmark (ICB) subsector classifications. Please refer to Appendix A for further information on included and excluded businesses.

ICB code	ICB subsector name	Description
<b>The following ICB subsectors are eligible for inclusion.</b>		
<b>Utilities</b>		
65101015	Conventional electricity	Companies generating and distributing electricity through the burning of fossil fuels such as coal, petroleum and natural gas, and through nuclear energy.
65102020	Gas distribution	Distributors of gas to end users. Excludes providers of natural gas as a commodity, which are classified under the oil and gas industry.
65102000	Multi-utilities	Companies that engage in multiple utilities that have no particular dominance over one another.
65102030	Water	Companies providing water to end users, including water treatment plants.
<b>Transportation</b>		
50101010	Construction	Companies that provide construction and infrastructure development services to private and/or public sector clients.
50206020	Railroads	Companies that operate railway systems for transporting goods and mass public rail services.
50206060	Transportation services	Companies providing services to the industrial transportation sector, including companies that manage airports, train depots, roads, bridges, tunnels, ports and providers of logistic services to shippers of goods. Includes companies that provide aircraft and vehicle maintenance services.
40501015	Travel and tourism	Companies providing travel- and tourism-related services, including travel agents, online travel reservation services, and companies that provide passenger transportation for leisure are included, such as tour buses, leisure cruisers and railways, and taxis. Excludes mass public transportation services, which are classified under the industrial transportation sector.

ICB code	ICB subsector name	Description
<b>Others</b>		
15102010	Cable television services	Companies that primarily distribute media content through their own cable and wireless network infrastructure, such as wired cable, fiber optic and satellite networks.
35102025	Infrastructure REITs	REITs that primarily invest in infrastructure assets including roads, bridges, tunnels, airports, power generation, fuels, pipelines, water and waste management, and communication assets
60101035	Pipelines	Operators of pipelines carrying oil, gas or other forms of fuel. Excludes pipeline operators that derive most of their revenues from direct sales to end users, which are classified under gas distribution.
40301035	Radio and TV broadcasters	Companies with principal activities that include operating commercial TV stations and/or radio broadcasting
15101010	Telecommunications equipment	Makers and distributors of high-technology communication products, including mobile telephones, fibre optics, switching devices, local and wide-area networks, teleconferencing equipment and connectivity devices for computers, including hubs and routers.
15102015	Telecommunications services	Providers of mobile and fixed-line telephone services, paging services, and VOIP providers. Including companies that own and operate telecommunication assets. Telecommunication services companies can also provide supplemental services such as direct internet access, VPN services, colocation services and transit services.

4.3 Starting with the constituents of the FTSE Global All Cap Index Series, LPX Group will first apply the list of ICB subsectors, above, to determine which companies are eligible for inclusion in each core infrastructure and infrastructure-related sector. LPX Group will then use the list of “included” and “excluded” business lines to filter the list of companies further. Please refer to Appendix A for further details. The resulting companies will form the list of eligible constituents for each sector.

LPX Group will conduct research to determine the percentage of a company’s revenue derived from core or related infrastructure activities (as detailed below). These revenue percentages will determine whether a company will be included in the core infrastructure index or the infrastructure opportunities index (see section 6).

4.4 Infrastructure core activities are defined as the development, ownership, operation, management and/or maintenance of:

**A. Transportation infrastructure**

- Roads, bridges and tunnels
- Ports
- Airports
- Railways (including regional, commuter and light rail)
- Terminals and depots
- Inland waterways

**B. Energy infrastructure**

- Electricity generation, distribution and transmission (regulated utilities)
- Water supply projects
- Pipelines

**C. Telecommunications infrastructure**

- Fixed line (i.e. coaxial, copper, fibre optics or otherwise) telephony and data networks
- Transmission lines or towers (or who leases them to others)
- Wireless transmission towers (or who leases them to others)
- Transmission satellites (or who leases them to others)

**4.5 Excluded companies**

- 4.5.1 Securities that are members of the applicable exclusion list (see Appendix C and D) are not eligible for the index.
- 4.5.2 Stocks with missing product-related or conduct-related exclusion data are excluded from the index.

## Section 5

# Sustainable investment (SI) data inputs

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## 5. Sustainable investment (SI) data inputs

Further information on SI data provided by FTSE Russell and third parties used in this index can be found in the following guide.

[Guide to FTSE and Third Party Sustainable Investment Data used in FTSE Russell Indices](#)

The following sustainable investment datasets are used in the construction of the FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index.

### 5.1 Product involvement exclusions and conduct-related exclusions

Data for product involvement exclusions and UNGC controversies exclusions is sourced from Sustainalytics. This data is subject to regular quality checks to identify discrepancies and ensure accuracy; these checks include trend analysis to assess data quality and detailed review of underlying data for significant score changes.

### 5.2 Sustainable Investment Metrics

5.2.1 Please see the FTSE Russell [Sustainable Investment Metrics](#) website for the scores and values of the environmental, social and governance (ESG) factors listed in Annex II to Delegated Regulation (EU) 2020/1816, which are taken into account in the benchmark methodology for the benchmarks within this index series.

## Section 6

# Index qualification criteria

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## 6. Index qualification criteria

- 6.1 The FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index universe will consist of the companies that pass the country eligibility criteria (see rule 4.1), the selection criteria from the relevant ICB subsectors in the FTSE Global All Cap Index Series (see rules 4.2 and 4.3), as well as the product-related and conduct-related exclusion criteria specified in Appendix C and D (see rules 4.5.1 and 4.5.2).
- 6.2 This index comprises all companies that meet the stated eligibility requirements in rule 4.4 within the three core infrastructure sectors (i.e. transportation, energy and telecommunications). For companies to be included in the index, at least 65% of their revenues must be attributable to businesses/activities within rule 4.4. Constituents are capped to limit the exposure of particular infrastructure subsectors. See rule 7.4 for further details of the capping.

## Section 7

# Periodic review of constituent companies

## 7. Periodic review of constituent companies

### 7.1 Review dates

- 7.1.1 The FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index will be reviewed on a semi-annual basis in March and September as part of the semi-annual reviews of the FTSE Global All Cap Index Series. The index constituents will be reviewed using data available after the close of business on the Monday four weeks prior to the review effective date.
- 7.1.2 LPX Group will determine semi-annually, after the close of business on the Monday four weeks prior to the review effective date, the proportion of company revenue derived from infrastructure core or related activities.
- 7.1.3 Changes to the index will be implemented after the close of business on the third Friday (i.e. effective the following Monday) of March and September.

### 7.2 Steps for conducting a review of the FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index

- 7.2.1 The underlying universe for the FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index is the current constituents of the FTSE Global All Cap Index Series.
- 7.2.2 ICB subsectors will be used to screen the constituents of the FTSE Global All Cap Index Series to determine the starting universe of listed equities in all the infrastructure sectors as defined in rule 4.2.
- 7.2.3 In order to ascertain whether a company is considered a core infrastructure company for the purpose of index eligibility, LPX Group will evaluate the proportion of the company revenue derived from infrastructure core or related activities semi-annually.
- 7.2.4 A company will be considered a core infrastructure index company if at least 65% of its revenue is attributable to businesses/activities within rule 4.4.
- 7.2.5 Buffers will be implemented at the semi-annual reviews to reduce turnover and costs.
  - A. Additions at the semi-annual review
    - A company will be included in the FTSE Core Infrastructure Indices if at least 65% of its revenue is attributable to business activity in core sectors.
  - B. Deletions at the semi-annual review
    - A company will be excluded from the FTSE Core Infrastructure Indices if its revenue falls below 55% of that attributable to business activity in core sectors.
- 7.2.6 Constituents are weighted by their investable market capitalisation.

### 7.3 Exclusions

- 7.3.1 FTSE Russell will apply the product-related and conduct-related exclusion lists outlined in Appendix C and D on a quarterly basis after the close of business on the third Friday of March, June, September and December.
- 7.3.2 Existing constituents which appear on the applicable exclusion lists will be removed from the index and the weight of excluded constituents will be distributed pro-rata among the remaining constituents.
- 7.3.3 The treatment of companies that have yet to be researched is set out in the Guide to the Construction and Maintenance of FTSE Exclusion Lists, which can be accessed using the following link:  
[Guide to the Construction and Maintenance of FTSE Exclusion Lists.pdf](#)

### 7.4 Capping

- 7.4.1 The calculation of the constituent capping factors (c) will be based on prices at close on the first Friday of the review month using shares in issue and investability weights as designated to take effect after close on the third Friday of the review month (i.e. taking effect on the review effective date).
- 7.4.2 The calculation will take into account any corporate actions/events that take effect after close on the first Friday of the review month up to and including the review effective date if they have been announced and confirmed by the first Friday of the review month.
- 7.4.3 Corporate actions/events announced after the first Friday of the review month that become effective up and including the review effective date will not result in any further adjustment.
- 7.4.4 At review the following capping process is applied for each 50/50 index.
1. Company uncapped index weights within the ICB subsectors highlighted in the below table will be combined into three groups – utilities, transportation and others.
  2. The weights of companies in the utilities group will be adjusted to 50% of the index weight; the weights of companies in the transportation group will be adjusted to 30% of the index weight; and the weights of companies in the others group will be adjusted to 20% of the index weight. Company weights within each group are adjusted in proportion to their investable market capitalisation.
  3. Within the transportation group, the combined index weights of the ICB subsectors railroads and travel and tourism will be adjusted to 7.5% of the index weight. The ICB subsectors construction and Transportation services will be adjusted to 22.5% of the index weight. Company weights within each group are adjusted in proportion to their investable market capitalisation.
  4. Any company whose index weight is greater than 5% is capped at 5%. The index weights of all uncapped companies are increased in proportion to their investable market capitalisations.
  5. Steps 2 to 4 are repeated until all target weights have been reached.
  6. Where the target weights cannot be reached the company capping limit (step 4) is relaxed in steps of 0.5% until all target weights have been reached. Each time the capping limit is relaxed the capping process is restarted and steps 1 to 5 are repeated.

New ICB subsector	New subsector name
<b>Utilities</b>	
65101015	Conventional electricity
65102020	Gas distribution
65102000	Multi-utilities
65102030	Water
<b>Transportation</b>	
50101010	Construction
50206020	Railroads

New ICB subsector	New subsector name
50206060	Transportation services
40501015	Travel and tourism
	<b>Others</b>
15102010	Cable television services
35102025	Infrastructure REITs
60101035	Pipelines
40301035	Radio and TV broadcasters
15101010	Telecommunications equipment
15102015	Telecommunications services

## Section 8

# Changes to constituent companies

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## 8. Changes to constituent companies

### 8.1 Intra-review additions

8.1.1 The FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index will not have intra-review additions.

### 8.2 Intra-review deletions

8.2.1 If a constituent ceases to be a constituent of the FTSE Global All Cap Index Series, it will be removed from the FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index. The removal will be concurrent with its removal from the FTSE Global All Cap Index Series and its weight will be distributed pro-rata amongst the remaining constituents of the index.

### 8.3 Intra-review exclusion changes

8.3.1 If the exclusion status of an existing constituent of an underlying index changes due to a corporate action or event, the consequent change to the membership of the FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index will be considered at the next index review. Further details on the treatment of events leading to intra-review exclusion status changes is set out in Guide to the Construction and Maintenance of FTSE Exclusion Lists, which can be accessed using the following link:

[Guide to the Construction and Maintenance of FTSE Exclusion Lists.pdf](#)

## Section 9

# Corporate actions and events

## 9. Corporate actions and events

9.1 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 advance notice advising of the timing of the change.

### 9.2 Shares in issue

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

### 9.3 Suspension of dealing

Suspension of dealing rules can be found within the Corporate Actions and Events Guide.

### 9.4 Takeovers, mergers and demergers

The treatment of takeovers, mergers and demergers can be found within the Corporate Actions and Events Guide.

9.4.1 If a non-constituent acquires an index constituent, it will be considered for inclusion in the FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index at the next semi-annual review.

9.4.2 If a constituent company is split and forms two or more companies by issuing new equity to existing shareholders, the resulting companies will be eligible to continue as constituents in the index provided they remain constituents of the underlying FTSE Global All Cap Index Series.

9.4.3 If a company changes nationality intra-review and thereby becomes eligible for inclusion in the FTSE Developed Europe Core Infrastructure Capped or FTSE USA Core Infrastructure Capped Indices, the company will not be included and its eligibility determined at the next periodic review.

## Section 10

# Industry Classification Benchmark (ICB)

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## 10. Industry Classification Benchmark (ICB)<sup>5</sup>

### 10.1 Classification structure

- 10.1.1 The FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index constituents are classified into industries, supersectors, sectors and subsectors, as defined by the ICB.
- 10.1.2 Details of the ICB are available from FTSE Russell and published on the FTSE Russell website ([www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/)) and can be accessed using the following link:  
[ICB](#)
- 10.1.3 Changes to the classification of a company in the FTSE Core Infrastructure 50/50 and Capped Indices will not impact index eligibility until the next periodic review unless the constituent ceases to be a member of the FTSE Global All Cap Index Series.

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<sup>5</sup> FTSE indices migrated to the new ICB classification system in March 2021.

## Section 11

# Index calculation

## 11. Index calculation

### 11.1 Prices

11.1.1 The FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index uses actual trade prices for securities with local stock exchange quotations. Refinitiv real-time spot currency rates are used in the index calculation.

### 11.2 Index calculation

11.2.1 The FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index will be displayed to eight decimal points.

11.2.2 The FTSE Infrastructure Core and Opportunities Indices calculations use the same methodology as the FTSE Global Equity Index Series.

11.2.3 In addition, the FTSE Infrastructure Indices use a FTSE adjustment factor  $c_i$  to reduce the weight of related sector/subsector constituents.

11.2.4 The FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index is 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:

- $i=1, 2, \dots, N$ ;
- $N$  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;
- $c_i$  is the weighting factor to be applied to a security to correctly weight that security in the index. This factor is published by FTSE Russell for each 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

# Included and excluded businesses

## Core infrastructure sectors

### Transportation core infrastructure

Companies that own, manage or operate roads, bridges, tunnels, railway lines, waterways, ports, airports, terminals and depots.

Included	Excluded
<ul style="list-style-type: none"> <li>Local rail and commuter lines as well as urban mass transit lines, regional light rail and monorail systems. These companies often provide services on a long-term concession.</li> <li>Heavy construction, to the extent that these companies are responsible for bridge and tunnel plaza operations, roadway maintenance, capital infrastructure improvements and toll collection, etc and are providing these services based on a long-term concession. In certain instances, the company may be allowed to effect increases in the facility's tolls.</li> <li>Companies with concessions to operate urban, suburban and/or exurban mass transit or local commuter rail, bus and (water) ferry lines or at least part of whose business includes the exclusive right to collect fares and/or undertake commercial development of such commuter lines and routes.</li> <li>Companies that operate or maintain railways, light rail, monorail systems, roads and highways.</li> <li>Companies that own, manage or operate airports that derive revenues from passenger charges, airline take-off/landing charges, parking charges, and rental charges from tenants of airport services.</li> </ul>	<ul style="list-style-type: none"> <li>Providers of logistic services to shippers of goods and companies that provide aircraft and vehicle maintenance services.</li> <li>Strictly tourism-related and/or sightseeing companies.</li> <li>Airport revenues directly received from retail sales to passengers such as duty free, food and beverage.</li> </ul>

### Energy core infrastructure

Companies that own, manage or operate oil, gas or water pipelines or electricity transmission networks.

Included	Excluded
<ul style="list-style-type: none"> <li>Companies generating electricity through the burning of fossil fuels such as coal, petroleum and natural gas, or through nuclear energy. Such companies must be regulated utilities or must be able to pass through their fuel costs to consumers.</li> <li>Companies that distribute or transmit electricity.</li> <li>Companies that own or operate utility operating companies, especially systems providing electricity to homes and businesses that are included in this ICB category and not mentioned in the bullets above.</li> </ul>	<ul style="list-style-type: none"> <li>Water treatment plants.</li> <li>Trade associations for companies in this sector.</li> </ul>

**Telecommunications core infrastructure**

Companies that own, manage or operate fixed line (i.e. coaxial, copper, fibre optics or otherwise), telephony and data networks or that own, manage, operate or lease wired transmission lines or towers to others.

Included	Excluded
<ul style="list-style-type: none"><li>- Companies that own, manage or operate wireless transmission towers or which lease them to others.</li><li>- Companies that own, manage or operate transmission satellites or which lease them to others.</li></ul>	<ul style="list-style-type: none"><li>- Companies that manufacture and distribute equipment used in the creation of wired, wireless or satellite networks.</li><li>- Companies that provide data, information or content (media).</li><li>- Internet service providers.</li></ul>

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## Appendix B

# List of eligible countries

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### **FTSE Custom Global Core Infrastructure Selected Countries Screened 50/50 Index**

Eligible securities from the following countries, which are member countries of the Asian Development Bank, will be eligible for inclusion in the index at every semi-annual index review:

- Australia
- Austria
- Belgium/Luxembourg
- Canada
- China
- Denmark
- Finland
- France
- Germany
- Hong Kong
- India
- Indonesia
- Ireland
- Italy
- Japan
- Malaysia
- Netherlands
- Norway
- Pakistan
- Philippines
- Portugal
- Singapore
- South Korea
- Spain
- Sweden
- Switzerland
- Taiwan
- Thailand
- Turkey
- UK
- USA

For more details about FTSE Russell's classification of countries, please refer to the following link:

[FTSE Equity Country Classification](#)

## Appendix C

## Product-related exclusions

FTSE Russell will apply the applicable exclusion list outlined in table 1 on a quarterly basis to exclude companies from the underlying eligible universe after the close of business on the third Friday of March, June, September and December.

Table 1: product-related exclusions

Exclusions	Involvement threshold for exclusions
<b>Weapons</b>	
<p><b>Anti-personnel mines, nuclear weapons, cluster weapons, biological and chemical weapons, depleted uranium and white phosphorus munitions.</b></p> <p>Companies providing core weapon systems, or components/services of the core weapon system that are considered tailor-made and essential for these weapons.</p>	Greater than 0% of revenues.
<p><b>Conventional weapons</b></p> <p>Companies manufacturing military weapon systems and/or integral, tailor-made components for these weapons.</p> <p>Companies providing tailor-made products and/or services that support military weapons or companies providing non-weapons related tailor-made products and/or services related to the military or defense industry.</p>	Equal to or greater than 10% of revenues.
<p><b>Civilian firearms</b></p> <p>Companies producing and selling assault weapons and/or small arms (non-assault weapons) to civilian customers, or companies producing and selling key components of small arms.</p> <p>Companies distributing assault weapons and/or small arms (non-assault weapons).</p>	Equal to or greater than 10% of revenues.
<b>Adult entertainment</b>	
Companies producing adult entertainment and/or owns/operates adult entertainment establishments.	Equal to or greater than 10% of revenues.
Companies distributing adult entertainment materials.	Equal to or greater than 10% of revenues.
<b>Tobacco</b>	
Companies manufacturing tobacco products.	Equal to or greater than 50% of revenues.
Companies involved in distribution or retail sales of tobacco products.	Equal to or greater than 50% of revenues.
<b>Alcohol</b>	
Companies manufacturing alcoholic beverages.	Equal to or greater than 50% of revenues.
Companies distributing alcoholic beverages.	Equal to or greater than 50% of revenues.
<b>Gambling</b>	
Companies that own and/or operate a gambling establishment.	Equal to or greater than 50% of revenues.

Exclusions	Involvement threshold for exclusions
<b>Thermal coal</b>	
Companies extracting thermal coal.	Equal to or greater than 25% revenues for thermal coal.
Companies generating electricity from thermal coal.	Equal to or greater than 25% revenues for thermal coal.

## Appendix D

# Conduct-related exclusions

FTSE Russell will apply the UN Global Compact (UNGC) controversies exclusion list outlined in table 2 on a quarterly basis after the close of business on the third Friday of March, June, September and December.

**Table 2: UNGC controversies exclusions**

Exclusions	Involvement threshold form exclusions
<b>UN Global Compact (UNGC) controversies</b>	
Companies involved in controversies related to the UNGC principles. The principles are classified into four categories: human rights, labour, environment and anti-corruption.	All companies deemed to be non-compliant.

## Appendix E

# Further information

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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 Custom Global Core Infrastructure Selected Countries Screened 50/50 Index is available from the FTSE Russell website.

For contact details please visit the FTSE Russell website or contact FTSE Russell client services at [info@ftserussell.com](mailto:info@ftserussell.com).

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