

# FTSE Convertible Indices

v1.0



This benchmark statement is provided by FTSE International Limited as the administrator of the Convertible Indices. It is intended to meet the requirements of EU Benchmark Regulation (EU2016/1011) and the supplementary regulatory technical standards and the retained EU law in the UK ([The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#)).

The benchmark statement should be read in conjunction with the [insert index/benchmark name] Ground Rules or other index series Ground Rules detailed on the website and other associated policies and methodology documents. Those documents are italicised whenever referenced in this benchmark statement and are included as an Appendix to this document. They are also available on the FTSE Russell website ([www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/)).

References to “BMR” or “EU BMR” in this benchmark statement refer to [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](#).

References to “DR” in this benchmark statement refer to [Commission Delegated Regulation \(EU\) 2018/1643 of 13 July 2018 supplementing Regulation \(EU\) 2016/1011 of the European Parliament and of the Council with regard to regulatory technical standards specifying further the contents of, and cases where updates](#).

References to “UK BMR” in this benchmark statement refer to [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#).

| Ref   | Regulatory requirement   | FTSE International Limited's response  |
|---|--|--|
| <b>1. General information</b>   |  |  |
| 1.1 Date of publication and last update<br>DR 1(1)(a)                                   | The benchmark statement shall state the date of publication of the statement and, where applicable, the date of its last update.   | <p><b>Date of publication</b><br/>First published Dec 2024<sup>1</sup></p> <p><b>Date of last update</b><br/>Dec 2024</p>  |
| 1.2 Review of benchmark statement<br>BMR27(1)   | The administrator shall review and, where necessary, update the benchmark statement for each benchmark or family of benchmarks in the event of any changes to the information to be provided under this article and at least every two years.  | FTSE International Limited is the administrator of the FTSE Convertible Indices. FTSE International Limited will review this benchmark statement regularly (at least once every two years) or whenever there are material changes to the information provided.                       |
| 1.3 Use of ISIN<br>DR 1(1)(b)   | The benchmark statement shall state, where available, the international securities identification number (ISIN) of the benchmark or benchmarks; alternatively, for a family of benchmarks, the statement may provide details of where the ISINs are publicly accessible free of charge.  | FTSE International Limited does not currently assign ISINs to all of the indices for which it is the administrator.  |
| 1.4 Contributions of input data<br>DR 1(1)(c)   | The benchmark statement shall state whether the benchmark or any benchmark in the family of benchmarks is determined using contributions of input data.  | The FTSE Convertible Indices do not use contributions of input data. Refer to 2.7 for further detail on input data.  |
| 1.5 Benchmark based on readily available data disclosures<br><br>DR 1(1)(d)<br><br>DR 2 | <p>Specific disclosure requirements for regulated-data benchmarks. The benchmark statement shall state whether the benchmark or any benchmark in the family of benchmarks qualifies as a regulated-data benchmark including the specific provision by which the benchmark qualifies as that type, as listed under Title III of BMR.</p> <p>In addition to the information to be included pursuant to Article 1, for a regulated-data benchmark or, where applicable, family of regulated-data benchmarks, the benchmark statement shall state at least the following in its description of the input data:</p> | <p>The Convertible Indices is not a regulated-data benchmark for the purposes of UK BMR or EU BMR.</p> <p>The FTSE Convertible Indices are calculated using input data delivered by LSEG Pricing Service (LPS) and other necessary data inputs delivered by LSEG content groups.</p> |

<sup>1</sup> Prior to December 2024 Refinitiv Benchmark Services (UK) Limited (RBSL) was the Administrator of the Index.

| Ref   | Regulatory requirement  | FTSE International Limited's response  |
|---|---|--|
|   | <ol style="list-style-type: none"> <li>1. indicate the benchmark's qualification as a regulated-data benchmark;</li> <li>2. the source of the input data used; and</li> <li>3. for each source, the relevant type, as listed in Article 3(1)(24) of Regulation (EU) 2016/1011.</li> </ol>   |  |
| <p>1.6 Significant and non-significant benchmarks disclosure<br/>DR 1(1)(d)</p> | <p>Specific disclosure requirements for significant and non-significant benchmarks.</p> <p>The benchmark statement shall state whether the benchmark or any benchmark in the family of benchmarks qualifies as a significant or non-significant benchmark including the specific provision by which the benchmark qualifies as that type, as listed under Title III of BMR.</p>                   | <p>The FTSE Convertible Indices family includes only non-significant benchmarks according to point 27 of Article 3(1) of EU BMR.</p>   |
| <p><b>2. Content</b></p>  |   |  |
| <p>2.1 Market reality<br/>BMR27(1)(a)</p>                                       | <p>The benchmark statement shall clearly and unambiguously define the market or economic reality measured by the benchmark and the circumstances in which such measurement may become unreliable.</p>   | <p>FTSE Convertible Indices are a family of Indices that aim to represent the performance of the Global market of Convertible Bonds in general and its sub-sets via a series of Sub-Indices.</p> <p>Each Sub-Index family is constructed to represent the market composition of the Convertible Bonds of a pre-determined size that are generally available to the institutional investors (the economic reality).</p>   |
| <p>2.2 Use of discretion<br/>BMR27(1)(b)</p>                                    | <p>The benchmark statement shall lay down technical specifications that clearly and unambiguously identify the elements of the calculation of the benchmark in relation to which discretion may be exercised, the criteria applicable to the exercise of such discretion and the position of the persons that can exercise discretion, and how such discretion may be subsequently evaluated.</p> | <p><i>The FTSE Convertible Bond Indices Ground Rules</i> and other methodology documents and policies that underpin the FTSE Convertible Bond Indices are written with the intent of removing the need for judgement or discretion to be exercised in so far as is feasible.</p> <p>In circumstances where a known future event is not captured by the methodology documents or where a decision to recalculate or correct an index calculation issue is not clear, the <i>Exercise of Expert Judgement is set out in the Methodology</i>.</p> <p>All instances of expert judgment are evaluated by peers and decided by the Index Management in conjunction with Index Managers as well as documented in line with the governance framework and reported to the appropriate FTSE Russell Committee.</p> |

| Ref  | Regulatory requirement  | FTSE International Limited's response  |
|--|---|--|
| 2.3 External factors<br>BMR27(1)(c)                  | The benchmark statement shall provide notice of the possibility that factors, including external factors beyond the control of the administrator, may necessitate changes to, or the cessation of, the benchmark.   | <p>FTSE International Limited hereby provides notice to users of the FTSE Convertible Indices that it is possible that circumstances, including external events beyond the control of FTSE International Limited, may necessitate changes to, or cessation of, the index series family.</p> <p>Further information about such factors is detailed in the <i>Index Series Decommissioning Statement</i>.</p>  |
| 2.4 Changes to/cessation of benchmark<br>BMR27(1)(d) | The benchmark statement shall advise users that changes to, or the cessation of, the benchmark may have an impact upon the financial contracts and financial instruments that reference the benchmark or the measurement of the performance of investment funds.  | Changes to, or the cessation of, the FTSE Convertible Indices may have an impact upon any financial contracts and financial instruments that reference the FTSE Convertible Indices or the measurement of the performance of investment funds. Any financial contracts or other financial instruments that reference the index series family or investment funds that use the FTSE Convertible Indices to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index series family.                                       |
| 2.5 Definitions of key terms<br>BMR27(2)(a)          | A benchmark statement shall contain at least the definitions for all key terms relating to the benchmark.   | The definitions of all key terms relating to the FTSE Convertible Indices can be found in the <i>FTSE Convertible Bond Indices Ground Rules</i> section 6.1.   |
| DR 1(2)  | <p>In defining the market or economic reality, the benchmark statement shall contain at least the following information:</p> <ol style="list-style-type: none"> <li>1. a general description of the market or economic reality;</li> <li>2. the geographical boundaries, if any, of the measured market or economic reality; and</li> <li>3. any other information the administrator reasonably considers to be relevant or useful for a benchmark user or potential user to understand the relevant features of the market or economic reality. Subject to the availability of reliable data, the administrator shall consider including, at least: <ol style="list-style-type: none"> <li>1. information on actual or potential participants in the market; and</li> <li>2. an indication of the size of the market or economic reality.</li> </ol> </li> </ol> | <p><b>1. Description of market/economic reality</b><br/>Refer to Section 1, Introduction of the FTSE Convertible Indices Ground Rules.</p> <p><b>2. Geographical boundaries</b><br/>The geographical boundaries of the market measured by the FTSE Convertible Index Family are determined by the eligibility criteria for the indices within the family as set out in the <i>FTSE Convertible Index Ground Rules</i>.</p> <p><b>3. Any other relevant information</b><br/>Not applicable to this index series family (family of benchmarks that consists solely of non-significant benchmarks).</p> |

| Ref   | Regulatory requirement  | FTSE International Limited's response   |
|---|---|---|
| 2.6 Benchmark methodology<br>BMR27(2)(b)                          | A benchmark statement shall contain at least the rationale for adopting the benchmark methodology and procedures for the review and approval of the methodology.  | The <i>FTSE Convertible Bond Index Ground Rules</i> reflect the economic reality the FTSE Convertible Bond was intended to measure as set out in response 2.1 above.  |
| Changes and cessation to benchmark methodology<br>DR 1(5)         | In specifying the procedures for review of the methodology, the benchmark statement shall at least outline the procedures for public consultation on any material changes to the methodology.   | <p>The approval of all new FTSE Russell indices follows the governance process set out in the <i>Governance Framework</i> document. The <i>FTSE Convertible Index Ground Rules</i> are subject to regular review (at least once a year) by FTSE International Limited, via its governance process, to ensure that they continue to meet the current and future requirements of investors and other index users.</p> <p>Proposals for significant amendments to the methodology of this benchmark family will be subject to consultation. The procedures for consultation are documented in the FTSE Russell Policy for Benchmark Methodology Changes. Feedback from consultations is considered and any consequent methodology changes are approved by the FTSE Russell Index Governance Board. Announcements are made detailing the changes prior to their implementation.</p> |
| 2.7 Input data<br>BMR27(2)(c)                                     | A benchmark statement shall contain at least the criteria and procedures used to determine the benchmark, including a description of the input data, the priority given to different types of input data, the minimum data needed to determine a benchmark, the use of any models or methods of extrapolation and any procedure for rebalancing the constituents of a benchmark's index.  | Input data for the index series family consists of the The FTSE Convertible Indices are calculated using input data delivered by LSEG Pricing Service (LPS). FTSE International considers this to be readily available data. The criteria and procedures used to determine and rebalance the benchmarks within the FTSE Convertible Index Family can be found in the <i>FTSE Convertible Ground Rules</i> . Supplementary information can be found in the documents provided in the Appendix to this benchmark statement.   |
| 2.8 Controls over exercise of judgement/discretion<br>BMR27(2)(d) | A benchmark statement shall contain at least the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors, to ensure consistency in the use of such judgement or discretion.   | <p>The circumstances in which judgement and/or discretion may be exercised are set out in response 2.2 above. The <i>Exercise of Expert Judgement in FTSE Russell Indices</i> policy provides for the exercise of expert judgement in certain circumstances and sets out the conditions in which clients and other affected stakeholders may be consulted.</p> <p>The policy further sets out the requirements to keep records of the exercise of expert judgement, for the instances of such exercise to be reviewed and, if appropriate, for those instances to be reported to the FTSE Russell Index governance board.</p>   |
| DR 1(4)   | In specifying the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors in calculating the benchmark or benchmarks, the benchmark statement shall include an outline of each step of the process for any ex-post evaluation of the use of discretion, together with a clear indication of the position of any person(s) responsible for carrying out the evaluations. |   |

| Ref   | Regulatory requirement  | FTSE International Limited's response  |
|---|---|--|
| <p>2.9 Determination of the benchmark in stress periods<br/>BMR27(2)(e)</p> | <p>A benchmark statement shall contain at least the procedures that govern the determination of the benchmark in periods of stress or periods where transaction data sources may be insufficient, inaccurate or unreliable and the potential limitations of the benchmark in such periods.</p>  | <p>Determination of FTSE Convertible Indices depends on the timely availability of the input and other necessary data from said Data Sources on a Weekday basis.</p> <p>Any partial inadequacies in input data are mitigated via succession of Pricing Sources as detailed in Section 6.3.3.1 of the FTSE Convertible Indices Ground Rules.</p> <p>Severe technical problems, extreme market events or a widespread loss of liquidity may lead to a complete loss of one or more of the Data Sources which will affect the delivery of the data to FTSE International.</p> <p>In such circumstances FTSE will exercise expert judgement to determine the viability of the available data and/or Data Source(s) necessary to calculate the Indices.</p> <p>The FTSE Convertible Indices may not necessarily be representative of the market segments they aim to represent under such conditions.</p> |
| <p>2.10 Errors in input data<br/>BMR27(2)(f)</p>                            | <p>A benchmark statement shall contain at least the procedures for dealing with errors in input data or in the determination of the benchmark, including when a re-determination of the benchmark is required.</p>  | <p>The FTSE Convertible Indices is recalculated whenever inaccuracies occur that are deemed to be significant.</p> <p>Users of the FTSE Convertible Indices Family are notified of any decisions to recalculate and/or restate an index through appropriate media.</p>   |
| <p>2.11 Potential limitations<br/>BMR27(2)(g)</p>                           | <p>A benchmark statement shall contain at least the identification of potential limitations of the benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.</p>   | <p>The potential limitations of the FTSE Convertible Indices Family include circumstances where an insufficient input data is available from the LSEG Pricing Service (LPS) and / or other necessary data from the data feeds.</p> <p>For example, technical problems or extreme market events may lead to insufficient input data in which case succession of pricing sources as detailed in Section 6.3.3.1 will apply. For other necessary data FTSE will exercise expert judgement to determine the viability of the available data and/or Data Source(s) necessary to calculate the Indices.</p>  |
| <p>DR 1(3)</p>  | <p>In defining the potential limitations of the benchmark and the circumstances in which the measurement of the relevant market or economic reality may become unreliable, the benchmark statement shall include at least:</p> <ol style="list-style-type: none"> <li>1. a description of the circumstances in which the administrator would lack sufficient input data to determine the benchmark according to the methodology;</li> <li>2. where relevant, a description of instances when the accuracy and reliability of the methodology used for determining the benchmark can no longer be ensured, such as when the administrator deems the liquidity in the underlying market as insufficient; and</li> </ol> |  |

| Ref  | Regulatory requirement   | FTSE International Limited's response  |
|--|--|--|
|  | <p>3. any other information that the administrator reasonably considers to be relevant or useful to help users and potential users to understand the circumstances in which the measurement of the market or economic reality may become unreliable, including a description of what might constitute an exceptional market events.</p>  |  |
| <p><b>3. Review and update of benchmark statements</b></p>             |  |  |
| <p>3.1 Review and update of benchmark statement<br/>DR 6</p>           | <p>An update of the benchmark statement shall be required whenever the information contained in the statement ceases to be correct or sufficiently precise and including in any event in the following cases:</p> <ol style="list-style-type: none"> <li>1. whenever there is a change in the type of the benchmark; and</li> <li>2. whenever there is a material change in the methodology used for determining the benchmark or, if the benchmark statement is for a family of benchmarks, in the methodology used for determining any benchmark within the family of benchmarks.</li> </ol>   | <p>This benchmark statement is subject to regular review (at least once every two years) or whenever there are material changes to the methodology by FTSE International Limited to ensure that the benchmark statement is correct and sufficiently precise.</p> |
| <p><b>4. Disclosures</b></p>   |  |  |
| <p>4.1 Interest rate benchmarks disclosure<br/>DR 1(1)(d)<br/>DR 3</p> | <p>Specific disclosure requirements for interest rate benchmarks. The benchmark statement shall state whether the benchmark or any benchmark in the family of benchmarks qualifies as an interest rate benchmark including the specific provision by which the benchmark qualifies as that type, as listed under Title III of BMR.</p> <p>In addition to the information to be included pursuant to Article 1, for an interest rate benchmark or, where applicable, family of interest rate benchmarks, the benchmark statement shall include at least the following information:</p> <ol style="list-style-type: none"> <li>1. a reference alerting users to the additional regulatory regime applicable to interest rate benchmarks under Annex I to Regulation (EU) 2016/1011; and</li> </ol> | <p>Not applicable to this index series family.</p>   |



| Ref  | Regulatory requirement   | FTSE International Limited's response              |
|--|--|--|
|  | <p>2. a description of the arrangements that have been put in place to comply with that annex.</p>   |  |
| <p>4.2 Commodity benchmarks disclosure</p> <p>DR 1(1)(d)</p> <p>DR 4</p> | <p>Specific disclosure requirements for commodity benchmarks. The benchmark statement shall state whether the benchmark or any benchmark in the family of benchmarks qualifies as commodity benchmark including the specific provision by which the benchmark qualifies as that type, as listed under Title III of BMR.</p> <p>In addition to the information to be included pursuant to Article 1, for a commodity benchmark or, where applicable, family of commodity benchmarks, the benchmark statement shall at least:</p> <ol style="list-style-type: none"> <li>1. indicate whether the requirements of Title II of, or Annex II to, Regulation (EU) 2016/1011 apply to the benchmark, or family of benchmarks as prescribed by Article 19 of that regulation;</li> <li>2. include an explanation as to why Title II of or, as the case may be, Annex II to that regulation applies;</li> <li>3. include in the definitions of key terms a concise description of the criteria that define the relevant underlying physical commodity; and</li> <li>4. where applicable, indicate where the explanations are published that the administrator is required to publish under paragraph 7 of Annex II to that regulation.</li> </ol> | <p>Not applicable to this index series family.</p> |
| <p>4.3 Critical benchmarks disclosure</p> <p>DR 1(1)(d)</p> <p>DR 5</p>  | <p>Specific disclosure requirements for critical benchmarks. The benchmark statement shall state whether the benchmark or any benchmark in the family of benchmarks qualifies as a critical benchmark including the specific provision by which the benchmark qualifies as that type, as listed under Title III of BMR.</p> <p>In addition to the information to be included pursuant to Article 1, for a critical benchmark, or, where applicable, a family of benchmarks that contains at least one critical benchmark,</p>  | <p>Not applicable to this index series family.</p> |

| Ref   | Regulatory requirement   | FTSE International Limited's response   |
|---|--|---|
|   | <p>the benchmark statement shall include at least the following information:</p> <ol style="list-style-type: none"> <li>1. a reference alerting users to the enhanced regulatory regime applicable to critical benchmarks under Regulation (EU) 2016/1011; and</li> <li>2. a statement indicating how users will be informed of any delay in the publication of the benchmark or of a re-determination of the benchmark and indicating the (expected) duration of measures.</li> </ol> |   |
| <p>4.4 EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks<br/>A19a<br/>A19b</p> | <p>Specific disclosure requirements for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks.</p>  | <p>Not applicable to this index series family.</p>  |
| <p>4.5 ESG factors disclosure<br/>A13 (1)(d)<br/>A27 (2a)</p>                                 | <p>Specific disclosure requirements for ESG factors.</p>   | <p>The FTSE Convertible Index does not take account of ESG factors in the index design and do not pursue any ESG objectives.</p>  |
| <p>4.6 Carbon emission reductions<br/>A27 2(a)</p>  | <p>Disclosure of the alignment with the objectives of the Paris Agreement.</p>   | <p>The FTSE Convertible Index Family does not use any temperature scenario, do not align with the target of carbon emission reductions and do not attain the objectives of the Paris Agreement.</p> |

## Appendix

This benchmark statement should be read in conjunction with the following Ground Rules, methodology and policy documents, which can be accessed using the links below:

### **Ground Rules**

[FTSE Convertible Indices Methodology](#)

### **Index policy documents**

[Exercise of Expert Judgement in FTSE Russell Indices](#)

### **Organisational policies**

[Governance Framework](#)

[Index Series Decommissioning Statement](#)

[Benchmark Administration Governance and Conflicts of Interest Management](#)

[Policy for Benchmark Methodology Changes](#)

**For more information about our indices, please visit [www.lseg.com/en/ftse-russell/](http://www.lseg.com/en/ftse-russell/).**

#### **Disclaimer**

© 2024 London Stock Exchange Group plc and its applicable group undertakings ("LSEG"). LSEG includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada"), (4) FTSE Fixed Income Europe Limited ("FTSE FI Europe"), (5) FTSE Fixed Income LLC ("FTSE FI"), (6) FTSE (Beijing) Consulting Limited ("WOFE"), (7) Refinitiv Benchmark Services (UK) Limited ("RBSL"), (8) Refinitiv Limited ("RL") and (9) Beyond Ratings S.A.S. ("BR"). All rights reserved.

FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator. Refinitiv Benchmark Services (UK) Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, WOFE, RBSL, RL and BR. "FTSE®", "Russell®", "FTSE Russell®", "FTSE4Good®", "ICB®", "WMR™", "FR™", "Beyond Ratings®" and all other trademarks and service marks used herein (whether registered or unregistered) are trade marks and/or service marks owned or licensed by the applicable member of LSEG or their respective licensors and are owned, or used under licence, by FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, WOFE, RBSL, RL or BR.

All information is provided for information purposes only. All information and data contained in this publication is obtained by LSEG, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical inaccuracy as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or LSEG Products, or of results to be obtained from the use of LSEG products, including but not limited to indices, rates, data and analytics, or the fitness or suitability of the LSEG products for any particular purpose to which they might be put. The user of the information assumes the entire risk of any use it may make or permit to be made of the information.

No responsibility or liability can be accepted by any member of LSEG nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any inaccuracy (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of LSEG is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of LSEG nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of LSEG nor their respective directors, officers, employees, partners, or licensors make any representation regarding the advisability of investing in any asset or whether such investment creates any legal or compliance risks for the investor. A decision to invest in any such asset should not be made in reliance on any information herein. Indices and rates cannot be invested in directly. Inclusion of an asset in an index or rate is not a recommendation to buy, sell or hold that asset nor confirmation that any particular investor may lawfully buy, sell or hold the asset or an index or rate containing the asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of LSEG. Use and distribution of LSEG data requires a licence from LSEG and/or its licensors.



**FTSE  
RUSSELL**  
An LSEG Business