

FTSE Custom China 50 Quanto Adjusted KRW Index

v1.3

The FTSE Custom China 50 Quanto Adjusted KRW Index is not, and is not intended to be, used by supervised entities in the European Union or the United Kingdom and accordingly, the European Benchmark Regulation* and the UK Benchmark Regulation# do not apply to the index. Consequently, supervised entities within the European Union and the United Kingdom are not permitted to use the index as a benchmark as set out in article 3(1)(7) of the European Benchmark Regulation.

For the avoidance of doubt, neither FTSE International Limited nor any other member of the London Stock Exchange Group plc group of companies, is the benchmark administrator (as defined in article 3(1)(6) of the European Benchmark Regulation) of the index.

*[*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 Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(which amends the European benchmark regulation in the United Kingdom\)](#)



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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 China 50 Quanto Adjusted KRW Index.

1.2 The FTSE Custom China 50 Quanto Adjusted KRW Index aims to reflect the performance of the FTSE China 50 Index (calculated in Hong Kong dollar) adjusted to Korean Won by adding a specified daily currency adjustment.

1.3 These Ground Rules should be read in conjunction with the **FTSE China 50 Index** Ground Rules which are available from FTSE Russell and can be accessed using the link below:

[FTSE China 50 Index.pdf](#)

1.4 Price and Total Return Indices will be calculated on an end of day basis.

1.5 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, FTSE (Beijing) Consulting Limited, Refinitiv Benchmark Services (UK) Limited, Refinitiv Limited and Beyond Ratings.

1.5.1 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 which 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.

1.6 Index users who choose to follow these indices or to buy products that claim to follow this index series 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 or its licensors (or any person concerned with the preparation or publication of these Ground Rules) for any losses, damages, claims and expenses suffered by any person as a result of:

- any reliance on these Ground Rules, and/or
- any inaccuracies in these Ground Rules, and/or
- 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 (FTSE)

2.1.1 FTSE is the benchmark administrator of the index series.¹

2.1.2 FTSE is responsible for the daily calculation, production and operation of the indices and will:

- 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 indices 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;
- disseminate the indices.

2.2 Amendments to these Ground Rules

2.2.1 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. 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.

¹ FTSE is not the benchmark administrator of the Index Series as the term administrator is defined in the [IOSCO Principles for Financial Benchmarks](#) and [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 Queries and Complaints

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

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

3.2 Index Policy for Trading Halts and Market Closures

3.2.1 Guidance for the treatment of index changes in the event of trading halts or market closures can be found using the following link:

[FTSE Russell Index Policy for Trading Halts and Market Closures.pdf](#)

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

3.3.1 Details of FTSE Russell's treatment can be accessed using the following link:

[FTSE Russell Index Policy in the Event Clients are Unable to Trade a Market or a Security.pdf](#)

3.4 FTSE Russell Policy for Benchmark Methodology Changes

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

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

3.5 FTSE Russell Governance Framework

3.5.1 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 Benchmarks², the European benchmark regulation³ and the UK benchmark regulation⁴. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE Russell Governance Framework.pdf](#)

3.6 Real Time Status Definitions

3.6.1 Please refer to the following guide for details of real time status definitions for indices that are calculated in real time.

[Real Time Status Definitions.pdf](#)

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

³ 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.

⁴ The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019.

Section 4

Index calculation

4. Index calculation

4.1 Index Specification

The underlying index, base currency and the quanto adjustment currency for the FTSE Custom China 50 Quanto Adjusted KRW Index are specified below:

Index Name	Underlying Index	Base Currency	Quanto Adjustment Currency	Currency Rates	Fixing time
FTSE Custom China 50 Quanto Adjusted KRW Index	FTSE China 50 Index	HKD	KRW	Spot rate (RIC code HKDKRW06H=R)	6am GMT

4.1.1 FTSE Custom China 50 Quanto Adjusted KRW Index will not be calculated on dates where the underlying index is closed.

4.2 Index Calculation

FTSE Custom China 50 Quanto Adjusted KRW Index is calculated using the following formula:

$$Index(t) = Index(t - 1) \times \left[\frac{UND(t)}{UND(t - 1)} + \left(\frac{UND(t)}{UND(t - n)} - 1 \right) \times \left(\frac{FX(t)}{FX(t - 1)} - 1 \right) \right]$$

where

- $Index(t)$ = Index value at index calculation day t
- $UND(t)$ = Underlying index value at index calculation day t
- $FX(t)$ = Currency pair rate at index calculation day t
- n = Asynchrony adjustment

Parameter n corresponds to the asynchronous market trading hours between the underlying index currency and the quanto adjustment currency. This parameter is specified below:

Index Name	Parameter n
FTSE Custom China 50 Quanto Adjusted KRW Index	1

Appendix A

Further information

A Glossary of Terms used in FTSE Russell's Ground Rule documents can be found using the following link:

[Glossary.pdf](#)

For further information on the FTSE Custom China 50 Quanto Adjusted KRW Index visit www.lseg.com/en/ftse-russell/
or
e-mail info@ftserussell.com. Contact details can also be found on this website.

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