

FTSE Rolling Futures Index Series

v1.1



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Section 1

Introduction

1. Introduction

- 1.1 The FTSE Rolling Futures Index Series is designed to reflect the performance of the next quarterly expiration of futures contracts.
- 1.2 The FTSE Rolling Futures Index Series operates in accordance with a pre-determined rolling methodology, and FTSE Russell does not exercise any discretion with respect to the index.
- 1.3 FTSE Rolling Futures Index starting value**
- 1.3.1 Indices in the FTSE Rolling Futures Index Series have a starting value of 10,000 on the initial calculation date of the index.
- 1.4 The base currency of the index series depends on the underlying futures contract. Index values may also be published in other currencies.
- 1.5 The FTSE Rolling Futures Index Series does not take account of ESG factors in its index design.
- 1.6 Real Time Index values**
- 1.6.1 Indices in the FTSE Rolling Futures Index Series are calculated on each day on which the relevant exchange is open for trading. Index values of indices in the FTSE Rolling Futures Index Series on any given index business day are calculated as the *product* of:
- the value of the FTSE Rolling Futures Index as of the preceding business day and
 - the real time return of the of the index futures contract during the trading session.
- The timing of each index is detailed in 4.2.
- 1.7 Returns of Index Futures contracts**
- 1.7.1 On any business day, the returns of the index futures are calculated as the market prices of the index futures contract divided by the futures settlement price on the preceding business day. Both values are referred to the next quarterly expiration of futures contract.
- On a quarterly basis, the reference to index futures contracts will shift to the second nearby index futures contract. In every day the index futures performance will be calculated on coherent futures contracts.
- 1.8 FTSE Russell**
- 1.8.1 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.
- 1.8.2 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 should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index series.

- 1.8.3 Index users who choose to follow this index series 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 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.¹

2.1.2 FTSE is responsible for the daily calculation, production and operation of the 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 reviews of the index 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 index series.

2.1.3 These Ground Rules set out the methodology and provide information about the publication of FTSE Rolling Futures Index Series.

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 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.

2.2.2 As provided for in the Statement of Principles for FTSE Russell Equity Indices, where FTSE Russell determines that the Ground Rules are silent or do not specifically and unambiguously apply to the subject matter of any decision, any decision shall be based as far as practical on the Statement of Principles. After making any such determination, FTSE Russell shall advise the market of its decision at the earliest opportunity. Any such treatment will not be considered as an exception or change to the Ground Rules, or to set a precedent for future action, but FTSE Russell will consider whether the Ground Rules should subsequently be updated to provide greater clarity.

¹ 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 Statement of Principles for FTSE Russell Equity Indices (the Statement of Principles)

3.1.1 Indices need to keep abreast of changing markets and the Ground Rules cannot anticipate every eventuality. Where the Ground Rules do not fully cover a specific event or development, FTSE Russell will determine the appropriate treatment by reference to the Statement of Principles which summarises the ethos underlying FTSE Russell's approach to index construction. The 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.

The Statement of Principles can be accessed using the following link:

[Statement_of_Principles.pdf](#)

3.2 Queries and Complaints

3.2.1 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 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.

[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 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](#)

3.8 Real Time Status Definitions

3.8.1 For indices that are calculated in real time, please refer to the following guide for details of real time status definitions:

[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](#) (the UK Benchmark Regulation).

Section 4

Available FTSE rolling futures indices

4. Available indices

4.1 The following FTSE Rolling Futures Indices are available:

Index	Futures Contract	Futures Exchange	Delivery Months Traded	Currency
FTSE MIB Rolling Futures Index	FTSE MIB Index Futures	Borsa Italiana	March, June, September, December	Euro

4.2 Timing of available Rolling Futures Indices:

Index	Start	End	Note
FTSE MIB Rolling Futures Index	9:00:01 CET	At the settlement price arrive	FTSE MIB futures trade from 8am to 10pm CET. The Rolling Futures Index will stop once the settlement price – calculated at 5:38pm CET – is received and in any case by 6:30pm CET.

Section 5

Roll methodology

5. Roll methodology

5.1 Futures contracts expire on their last trade date. When the first nearby Futures Contract approaches expiration, they are replaced by the second nearby Futures Contract. This process is referred to as “rolling”.

5.2 **Roll Period:** Rolling is conducted at the close of trading of the 4th business days prior to the last trade date of the first nearby Futures Contract. For example, if the last trade date of the first nearby future is on the 3rd Friday of the month, the Roll Period will be run on the Monday preceding the 3rd Friday of the month. This is referred to as the “roll period”.

Futures contract during roll period: the calculation of the FTSE Rolling Futures Index on the 4th day before the last trade of the first nearby Futures Contract will be based on the first nearby Futures Contract for both real time futures prices and preceding day futures settlement price. From the opening of the 3th day the calculation will be based on the second nearby Futures Contract.

5.3 Price of futures contracts unavailable

5.3.1 **Unavailable during the trading session:** If, on any business day no Futures Contract prices are published or are otherwise unavailable, then the last available Futures price is used to calculate the FTSE Rolling Futures Index.

Unavailable at the end of the trading session during the roll period: If the Futures Contract settlement price is not published or is otherwise unavailable at any time during the roll period, rolling will be run according to the latest available futures price of the day.

Section 6

Calculation formula

6. Calculation formula

6.1 The calculation of indices in the FTSE Rolling Futures Index Series uses the following formula.

$$FRFI_{(t)} = FRFI_{(t-1)} \times (\text{Futures}^{\text{EXP M}} \text{ Price}_{(t)} / \text{Futures}^{\text{EXP M}} \text{ Settlement Price}_{(t-1)})$$

Where:

t = calculation day

EXP M = month of the expiration of futures contracts

6.2 From the day following the rolling (i.e., the third day before the Friday of March-June-September-October) the formula will be:

$$FRFI_{(t)} = FRFI_{(t-1)} \times (\text{Futures}^{\text{EXP M}+3} \text{ Price}_{(t)} / \text{Futures}^{\text{EXP M}+3} \text{ Settlement Price}_{(t-1)})$$

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](#)

Further information on the FTSE Rolling Futures Index Series is available from FTSE Russell.

For contact details please visit the FTSE Russell website or contact FTSE Russell client services at info@ftserussell.com.

Website: www.lseg.com/en/ftse-russell/

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