



# INDEX RULE BOOK

## SBF<sup>®</sup> TOP 80 EW Family

Version 18-01

Effective from 23 November 2018

[indices.euronext.com](http://indices.euronext.com)

# Index

<b>1. Index Summary</b>	<b>1</b>
<b>2. Governance and Disclaimer</b>	<b>3</b>
2.1 Indices	3
2.2 Compiler	3
2.3 Supervisor	3
2.4 Cases not covered in rules	3
2.5 Rule book changes	3
2.6 Liability	3
2.7 Ownership and trademarks	3
<b>3. Publication</b>	<b>4</b>
3.1 Dissemination of index values	4
3.2 Exceptional market conditions and corrections	4
3.3 Announcement policy	4
<b>4. Calculation</b>	<b>5</b>
4.1 Calculation of the price index	5
4.2 Currency conversion	5
4.3 Total return index calculation	5
4.4 Calculation of the Decrement 50 points Index	5
<b>5. Index reviews</b>	<b>6</b>
5.1 General aim and frequency of reviews	6
5.2 Index Universe and selection principle	6
5.3 Periodical update of weighting	6
<b>6. Corporate Actions</b>	<b>7</b>
6.1 General	7
6.2 Removal of constituents	7
6.3 Split up / spin-off	7
6.4 Early inclusion of non-constituents	7
6.5 Dividends	7
6.6 Rights issues and other rights	8
6.7 Bonus Issues, stock splits and reverse stock splits	8
6.8 Changes in number of shares or Free Float	8
6.9 Partial tender offers on own shares	8
<b>7. Index Calculation Formulas</b>	<b>9</b>
<b>8. Definitions</b>	<b>10</b>
8.1 Free Float Factor	10
8.2 Conseil Scientifique	10
8.3 Compiler	10
8.4 Review Relevant Dates	10

## 1. INDEX SUMMARY

---

<b>Factsheet</b>	<b>SBF® TOP 80 EW</b>
<b>Index names</b>	SBF® TOP 80 EW
<b>Index type</b>	Price; Net return, Gross return and Decrement index versions available.
<b>Underlying Index</b>	SBF 120®
<b>Index governance structure</b>	The index is based on the selection of the underlying index, which is under supervision of an independent steering committee. Euronext acts as the Compiler and is responsible for the day-to-day management of the index.
<b>Eligible stocks</b>	Companies included in the underlying index
<b>Selection</b>	The 80 largest companies in terms of free float market capitalization
<b>Number of constituents</b>	80
<b>Weighting</b>	Equal weight
<b>Capping</b>	n.a.
<b>Review of composition</b>	Quarterly after the close of the third Friday of March, June, September and December.
<b>Rebalancing</b>	Quarterly. Effective after the third Friday of March, June, September and December.
<b>Review of capping</b>	n.a.
<b>Base Currency</b>	Euro

Note: the factsheet is a summary of the rule book for information purposes only. The text of the rulebook is leading.

## Reference Data

Index name	Isin code	Mnemo	Bloomberg code	Reuters code	Base date	Base value	Publication since
SBF® Top 80 EW	FR0013017936	SBF80	SBFT80	.SBF80	31-03-15	1000	07-12-15
SBF® Top 80 EW NR	FR0013017944	SBF8N	SBFT8N	.SBF8N	31-03-15	1000	07-12-15
SBF® Top 80 EW GR	FR0013017951	SBF8G	SBFT8G	.SBF8G	31-03-15	1000	07-12-15
SBF® Top 80 EW Decrement 50 Points	FR0013017969	SBF8D	SBFT8D	.SBF8D	31-03-15	1000	07-12-15

**Version notes:**

18-01 Change of definition of Free Float Factor and move of Review Cut-Off date

## **2. GOVERNANCE AND DISCLAIMER**

---

### **2.1 INDICES**

This rule book applies to the following indices (hereinafter “index”) owned by Euronext N.V. or its subsidiaries (hereinafter jointly “Euronext”):

- SBF Top 80 EW

### **2.2 COMPILER**

Euronext is the compiler of the index (“Compiler”). The Compiler is responsible for the day-to-day management of the index and is also responsible for decisions regarding the interpretation of these rules.

### **2.3 SUPERVISOR**

The Conseil Scientifique acts as independent supervisor of the index (“Supervisor”). The Supervisor is responsible for monitoring the selection of constituents for the index and ensuring that the index offers a reliable and representative view of the market.

### **2.4 CASES NOT COVERED IN RULES**

In cases which are not expressly covered in these rules, operational adjustments will take place along the lines of the aim of the index. Operational adjustments may also take place if, in the opinion of the Compiler, it is desirable to do so to maintain a fair and orderly market in derivatives on this index and/or this is in the best interests of the investors in products based on the index and/or the proper functioning of the markets. The Compiler will report to the Supervisor if it took a decision about a case which is not specifically covered in the rules for comments and review.

### **2.5 RULE BOOK CHANGES**

These rules may be supplemented, amended in whole or in part, revised or withdrawn at any time. Supplements, amendments, revisions and withdrawals may also lead to changes in the way the index is compiled or calculated or affect the index in another way. The Compiler will submit all decisions regarding supplementing, amending, revising or withdrawing these rules to the Supervisor for recommendations or approval.

### **2.6 LIABILITY**

Euronext, the Compiler and the Supervisor are not liable for any losses resulting from supplementing, amending, revising or withdrawing the rules for the index.

The Compiler will do everything within its power to ensure the accuracy of the composition, calculation, publication and adjustment of the index in accordance with relevant rules. However, neither Euronext, nor the Compiler, nor the Supervisor are liable for any inaccuracy in index composition, share prices, calculations and the publication of the index, the information used for making adjustments to the index and the actual adjustments. Furthermore, Euronext, the Compiler and the Supervisor do not guarantee the continuity of the composition of the index, the continuity of the method of calculation of the index, the continuity of the dissemination of the index levels, and the continuity of the calculation of the index.

### **2.7 OWNERSHIP AND TRADEMARKS**

Euronext owns all intellectual and other property rights to the index, including the name, the composition and the calculation of the index. SBF 120® and SBF® are registered trademarks of Euronext.

## 3. PUBLICATION

---

### 3.1 DISSEMINATION OF INDEX VALUES

#### 3.1.1 Opening

The opening level is calculated using the last known prices of traded constituents or in the case of constituents that have non-traded, halted or suspended status, the previous day reference prices or estimated prices (for IPOs, buyouts and swap offers).

The official opening level is the first level published after a share price is available for all constituents. Index levels published before the official opening level is published are considered pre-opening index levels.

If, for whatever reason, share prices are not available for all constituents five minutes after Euronext Markets (as defined in the Euronext harmonised rule book) started regular daytime trading, the official opening level will be published as soon as the companies whose share prices are available of the current trading day represent at least 80% of the value of the index at the close of the previous trading day.

#### 3.1.2 Calculation and dissemination

The index is calculated based on the most recent prices of transactions concluded on Euronext Markets. The level of the index is in principle published every 15 seconds. The index is calculated from 09:00 hours until Euronext Markets stop regular daytime trading on the days when the Euronext Markets are open for trading.

#### 3.1.3 Closing level

The closing level is the last level disseminated on the trading day.

### 3.2 EXCEPTIONAL MARKET CONDITIONS AND CORRECTIONS

The Compiler retains the right to delay the publication of the opening level of the index. Furthermore, the Compiler retains the right to suspend the publication of the level of the index to mark the level of the index indicative if it believes that circumstances prevent the proper calculation of the index.

If prices are cancelled, the index will not be recalculated unless the Compiler decides otherwise.

If the index remains in pre-opening phase during the entire trading session, the last published pre-opening level of the index will be used as the official closing level of the index for

### 3.3 ANNOUNCEMENT POLICY

The announcement policy is described in the Euronext Indices Announcement policy document that is available on [indices.euronext.com/index-rules](https://indices.euronext.com/index-rules).

## 4. CALCULATION

---

### 4.1 CALCULATION OF THE PRICE INDEX

The index is calculated on a price return basis. The calculation is based on the current index capitalization divided by the divisor. The divisor was determined on the initial capitalization base of the index and the base level. The divisor is adapted as a result of corporate actions, rebalancings and composition changes.

### 4.2 CURRENCY CONVERSION

The base currency of the index is Euro ("Base Currency").

Share prices that are quoted in other currencies than the Base Currency will be converted to the Base Currency using the last known exchange rate observed on Reuters. Closing prices will be converted based on the most recent WM/Reuters spot rates, which are published each business day around 17:00 CET.

### 4.3 TOTAL RETURN INDEX CALCULATION

#### 4.3.1 Return indices

A net total return index as well as a gross total return index, is calculated and disseminated at the same frequency as the price index. The return indices are obtained by reinvesting the net and gross dividends respectively.

#### 4.3.2 Withholding tax rate

The net dividend is calculated as the gross dividend minus the applicable withholding tax. A table detailing the percentages that are applied is available on the website of Euronext.

#### 4.3.3 Ordinary dividends in shares

If a dividend is distributed in the form of shares only and if this is regarded as ordinary dividend, the return index will be reinvesting a cash equivalent of the dividend. If shareholders may choose between cash or shares the amount which is reinvested will be based on the cash option.

#### 4.3.4 Conversion of dividends declared in other currencies

If a dividend for a constituent is declared in another currency than the Base Currency of the index, then the Compiler will in first instance use the Base Currency amount if investors have the option to be paid in that currency. If the dividend amount is available only in currencies that deviate from the Base Currency, the Compiler will convert the dividend amount using the reference rate for the cum-day (the business day prior to the ex-date). In principle the reference rate will be based on the foreign exchange reference rates as published daily by the ECB.

### 4.4 CALCULATION OF THE DECREMENT 50 POINTS INDEX

The Decrement 50 Points (D5P) index uses the following formula:

$$D5P_t = D5P_{t-1} * \frac{GR_t}{GR_{t-1}} - Const * \frac{day}{365} \quad \text{Where:}$$

$D5P_{t-1}$ : D5P index value previous calculation date;

$D5P_t$ : D5P index value on t;

$GR_{t-1}$ : Gross return index value previous calculation date;

$GR_t$ : Gross return index value on t;

Const: 50 points

day: number of calendar days between index business day t-1 and t

## 5. INDEX REVIEWS

---

### 5.1 GENERAL AIM AND FREQUENCY OF REVIEWS

#### 5.1.1 General aim of the periodical review

The general aim of the periodical review of the index is to ensure that the selection and weighting of the constituents continues to reflect the underlying market or market segment it represents.

#### 5.1.2 Review Cut-Off Dates and Review Effective Dates

The Review Cut-Off Date (see 8. Definitions) is after the market close of the penultimate<sup>1</sup> Friday of August (for the annual review), February, May and November (for the quarterly reviews).

The Review Effective Date is after the market close of the third Friday of September (the annual review), March, June and December (quarterly reviews).

### 5.2 INDEX UNIVERSE AND SELECTION PRINCIPLE

#### 5.2.1 Underlying Index

The Underlying Index of the index is the SBF 120<sup>®</sup> index.

#### 5.2.2 Selection basis

At each periodical review, all the companies that are announced to be included in the Underlying Index after the close of the business day on the date of the periodical adjustment represent the universe.

The companies included in the universe are ranked by free float market capitalization on the Review Cut-Off Date of the Underlying Index. The 80 highest ranking companies are selected. A buffer zone, where current constituents have priority over companies that currently do not form part of the index will be applied for companies ranked 76th to 85th.

#### 5.2.3 Selected line

As only one listing – the most active one - is permitted per company, the listing representing the company's ordinary shares is generally used.

### 5.3 PERIODICAL UPDATE OF WEIGHTING

#### 5.3.1 Update of number of shares

The new weightings in shares of the constituents are based on the new composition of the Index in combination with the closing prices of the Review Composition Announcement Date of the Underlying Index.

The new weightings are calculated such that each constituent will have an equal weight in the index. The weightings will be rounded to the nearest whole number.

#### 5.3.2 Free Float

Not applied for this index.

#### 5.3.3 Capping

Not applied for this index.

---

<sup>1</sup> Penultimate means the one immediately before the last one, so the Friday before the last Friday.



## 6. CORPORATE ACTIONS

---

### 6.1 GENERAL

The index may be adjusted in order to maintain the continuity of the index level and the composition. The underlying aim is that the index continues to reflect as closely as possible the value of the underlying portfolio.

Adjustments take place in reaction to events that occur with constituents in order to mitigate or eliminate the effect of that event on the index.

### 6.2 REMOVAL OF CONSTITUENTS

Constituents which are removed from the Underlying Index will be removed simultaneously from the index.

If a company is removed from the index, the divisor will be adapted to maintain the index level.

#### 6.2.1 Mergers and acquisitions

The treatment in case of a merger or acquisition follows the treatment in the Underlying Index.

#### 6.2.2 Delistings, suspensions and company distress

The company will be deleted from the index based on either the last known price established during regular daytime trading or else a price determined by the Compiler, whereby the company may also be deleted at EUR 0.

#### 6.2.3 Pricing sources

In the event that the trading in shares is suspended, the last known price established during regular daytime trading will be used.

### 6.3 SPLIT UP / SPIN-OFF

In the event that a company included in the index is split up, the companies resulting from the split, including the original company where appropriate will continue to be included in the index providing they continue to be included in the Underlying Index. The index may then temporarily consist of fewer than, or more than the normal number of companies until the next periodical review takes place.

For the purposes of these rules a split up is taken to mean a legal demerger, a spin-off or another situation which the Compiler deems to be similar.

In case the shareholder of the company which was originally included in the index does not automatically receive shares in a company which is created as a result of the split up, this company is considered to be a newly listed company.

The removal of any non-qualifying company resulting from a split up will take place after the close of the first day of trading in the shares of that company. If all companies resulting from the split are to be removed, the removal will take place at the close of the last trading day before the split.

### 6.4 EARLY INCLUSION OF NON-CONSTITUENTS

The composition of the index is based on the Underlying Index at the quarterly review.

### 6.5 DIVIDENDS

#### 6.5.1 Distinction ordinary and special dividend

The price index will be adjusted for dividends that are special.

The following criteria will be applied to decide whether a dividend should be considered a special dividend:

- a) The declaration of a company of a dividend additional to those dividends declared as part of the company's normal results and dividend reporting cycle; merely an adjustment to the timing of the declaration of a company's expected dividend would not be considered as a special dividend circumstance; or

- b) The identification of an element of a dividend paid in line with a company's normal results and dividend reporting cycle as an element that is unambiguously additional to the company's normal payment.

For the purpose of clarification, no adjustment will be made for the following situations:

1. Payment of ordinary dividends, irrespective of how they are financed;
2. Issue of redeemable shares or any other entitlement in lieu of an ordinary dividend; or
3. Unexpected increase or decrease, resumption or cessation, or change in frequency to an ordinary dividend.

#### **6.5.2 Adjustment for special dividend**

The adjustment of the index takes place by a reduction of the closing price of the share in question. Subsequently the divisor will be adapted in order to maintain the index level. The adjustments will be based on gross amounts.

### **6.6 RIGHTS ISSUES AND OTHER RIGHTS**

In the event of a rights issue the index is adjusted based on the value of the rights only. The divisor will be adapted in such a way that the level of the index remains the same.

The index will be adjusted only if the rights represent a positive value.

The index will also be adjusted if a value can be attributed to a subscription right for convertible bonds, bonds with warrants or warrants with preferential rights for shareholders or similar situations.

### **6.7 BONUS ISSUES, STOCK SPLITS AND REVERSE STOCK SPLITS**

For bonus issues, stock splits and reverse stock splits, the number of shares included in the index will be adjusted in accordance with the ratio given in the corporate action. The divisor will not be changed because of this. The Compiler may regard a bonus issue as the issue of an entitlement in lieu of an ordinary dividend and therefore treat this in accordance with 6.5.1.

### **6.8 CHANGES IN NUMBER OF SHARES OR FREE FLOAT**

In between the reviews the number of shares included in the index and free float factors will remain unchanged.

### **6.9 PARTIAL TENDER OFFERS ON OWN SHARES**

The Compiler will adjust the divisor of the index if the premium represents more than 5% of the share price of the close on the penultimate day before the ex-date (the day prior to the last day before the ex-day). The premium is calculated as the difference between the offered price and the closing price, multiplied by the percentage of the share capital targeted in the offer. If the divisor is adjusted, the number of shares in the index will be adjusted as well.

## 7. INDEX CALCULATION FORMULAS

---

The general formula for the **price index** is:

$$I_t = \frac{\sum_{i=1}^N Q_{i,t} F_{i,t} f_{i,t} C_{i,t} X_{i,t}}{d_t}$$

Where:

- t Time of calculation
- N Number of constituent equities in index
- $Q_{i,t}$  Number of shares of equity i included in the index on day t
- $F_{i,t}$  Free Float factor of equity i <sup>2</sup>
- $f_{i,t}$  Capping factor of equity i <sup>1</sup>
- $C_{i,t}$  Price of equity i on t
- $X_{i,t}$  Current exchange rate on t <sup>1</sup>
- $d_t$  Divisor of the index on day t

The **total return index** calculation takes two steps: the first step is to transpose the announced dividend payment into index points. This is called the XD adjustment. This uses the following formula:

$$\text{XD adjustment} = \sum_{i=1}^N \frac{g_i * w_i}{d_t}$$

Where:

- $g_i$  The announced dividend per share of the  $i^{\text{th}}$  component stock (for net return index withholding tax is deducted from this dividend);
- $w_i$  The weighting of the  $i^{\text{th}}$  component stock in the index, based on number of shares included in the index, Free Float factor, capping factor and exchange rate;

The second step of the calculation uses the figures calculated in step one (XD adjustment). The dividend is assumed to be reinvested at the close of the ex-date.

$$\text{TR}_t = \text{TR}_{t-1} \left( \frac{\text{IV}_t + \text{XD}}{\text{IV}_{t-1}} \right)$$

Where:

- $\text{TR}_{t-1}$ : Total return index value yesterday;
- $\text{TR}_t$ : Total return index value on t;
- $\text{IV}_{t-1}$ : Underlying price index yesterday;
- $\text{IV}_t$ : Underlying price index on t;

---

<sup>2</sup> Factor is equal to 1 if not applied for the index

## 8. DEFINITIONS

---

### 8.1 FREE FLOAT FACTOR

The Free Float Factor is the percentage representing all listed securities of the selected line of the relevant company eligible for index inclusion (as described in section 5.2), minus any shareholdings that are considered non-free float. The Free Float Factor is based on public information available on the Review Cut-Off Date. The Free Float Factor will be rounded to the nearest 5%.

The following shareholdings are considered non-free float (based on public information available on the Review Cut-Off Date):

- Any single shareholder who holds 5% or more of the listed securities in the selected line eligible for index inclusion, with the exception of collective entities or pension funds.

Collective entities are those entities that fulfill all the following criteria:

- i. are open for investment to investors or tradable on the market; and
- ii. have a diversified portfolio; and
- iii. have an open ended structure.

Collective entities include mutual funds and other open end-funds.

- Collective entities or pension funds that hold 5% or more of the listed securities in the selected line eligible for index inclusion and are represented in any governing body of the company in question.
- Parties acting in concert that collectively hold 5% or more of the listed securities in the selected line eligible for index inclusion.
- Employee shareholding plans, employee pension plans, individual employees, management or members of the board of directors of the relevant company when their cumulative shareholding is 5% or more of the listed securities in the selected line eligible for index inclusion.

Shares held by the relevant company that represent 5% or more of the listed securities in the selected line eligible for index inclusion (e.g. treasury shares).

### 8.2 CONSEIL SCIENTIFIQUE

Committee consisting of independent persons which acts as supervisor to the CAC index family and to which all decisions regarding supplementing, amending, revising or withdrawing these rules are submitted for approval. The composition and responsibilities of the Conseil Scientifique are laid down in the Rules of Procedure document that is available on the website.

### 8.3 COMPILER

Committee of Euronext officials appointed by Euronext.

### 8.4 REVIEW RELEVANT DATES

The **Review Cut-Off Date** is the date on which, after the market close, relevant data are gathered that will serve as basis for the periodical review of the index.

The **Review Announcement Date** is the date on which, after the market close, the changes relating to the periodical review are announced as well as the preliminary free float factors.

The **Review Effective Date** is the date on which, after the market close, the changes relating to the periodical review are being effectuated in the index portfolio.

The **Review Composition Announcement Date** is the date on which, after the close, the full details are announced regarding the index composition that will come into effect after the review effective date. This includes numbers of shares, free float factors and capping factors of all companies included in the new index portfolio.