



Regional weights

Tela's website www.tela.fi include information about the updated regional weighting coefficients needed for calculating the OLV index. Tela calculates the weighting coefficients as follows.

The euro sum of investments in quoted shares made by pension provider j in region i at time t^* is $P_{t^*,j,i}$, and the total amount of all investments in quoted shares made by pension provider j in the regions 1-4 at time t^* is represented by $P_{t^*,j}$.

Pension provider j is then given the weight

$$q_{t^*,j} = \frac{\min(0,15; \frac{P_{t^*,j,i}}{\sum_j P_{t^*,j}})}{\sum_j \min(0,15; \frac{P_{t^*,j,i}}{\sum_j P_{t^*,j}})}$$

Lastly, the weighting coefficients of regions as percentage points $p_{t^*,i}$ are calculated using the formula

$$p_{t^*,i} = 100 * \sum_j q_{t^*,j} * \frac{P_{t^*,j,i}}{P_{t^*,j}}$$