

FTSE US Risk Premium Factor Free Cash Flow / Invested Capital Trend Long Only Index

Data as at: 30 September 2024

The FTSE US Risk Premium Free Cash Flow / Invested Capital Trend Long Only Index includes US large/mid cap stocks with high free cash flow profitability and maximizes industry participation providing both diversification and quality.

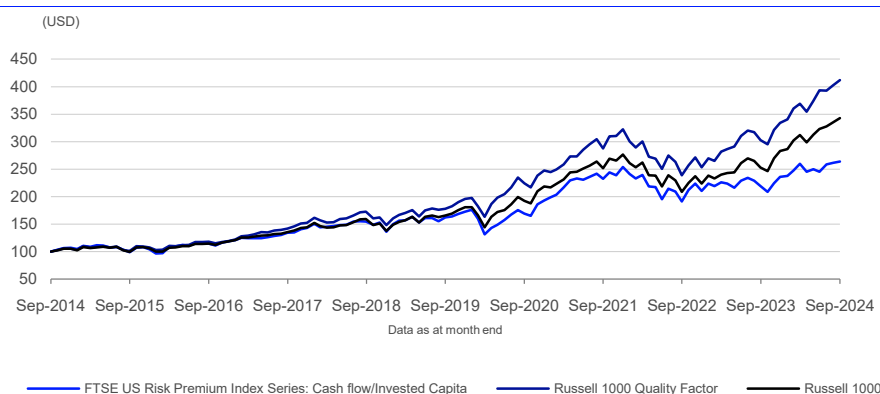
Free cash flow / invested capital trend identifies stocks that have historically delivered high free cash flow profitability with low price volatility. In each industry, a profitability ratio trend is calculated by generating each stock's free cash flow / invested capital ("FCF/IC") as of the calculation date and subtracting the average of the prior four quarters' FCF/IC then dividing by the standard deviation of the prior four quarters' FCF/IC.

FCF/IC is calculated by generating each stock's trailing 12 month free cash flow divided by invested capital as of the calculation date. Invested capital is defined as the sum of the most recently reported value of total capital, short term debt and current portion of long term debt.

Each stock is given a z-score, ranging +3.0 to -3.0, based on the magnitude of its free cash flow / invested capital trend vs other stocks in the industry. Stock z-scores for all industries are combined and ranked highest to lowest.

The top 40 ranked stocks are selected. Reconstitution/rebalancing is monthly. All constituents are equal weighted.

10-Year Performance - Total Return



FEATURES

Objective

The index is designed for use in the creation of index tracking funds, derivatives and as a performance benchmark.

Investability

Stocks are selected and weighted to ensure that the index is investable.

Liquidity

Stocks are screened to ensure that the index is tradable.

Transparency

The index uses a transparent, rules-based construction process. Index methodologies are freely available on the FTSE Russell website.

Availability

The index is calculated based on price and total return methodologies, both real time (USD) and end of day.

Industry Classification Benchmark (ICB)

Index constituents are categorized in accordance with the Industry Classification Benchmark (ICB), the global standard for industry sector analysis.

Performance and Volatility - Total Return

Index (USD)	Return %						Return pa %*		Volatility %**		
	3M	6M	YTD	12M	3YR	5YR	3YR	5YR	1YR	3YR	5YR
FTSE US Risk Premium Index Series: Cash flow/Invested Capita	7.6	1.5	11.8	20.4	13.4	62.8	4.3	10.2	12.6	18.5	19.9
Russell 1000 Quality Factor	4.7	11.7	23.3	36.2	43.2	132.0	12.7	18.3	13.8	19.0	18.6
Russell 1000	6.1	9.9	21.2	35.7	36.1	106.8	10.8	15.6	12.7	18.4	18.4

* Compound annual returns measured over 3 and 5 years respectively
** Volatility – 1YR based on 12 months daily data. 3YR based on weekly data (Wednesday to Wednesday). 5YR based on monthly data

Year-on-Year Performance - Total Return

Index % (USD)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FTSE US Risk Premium Index Series: Cash flow/Invested Capita	17.9	-2.6	14.0	20.4	-4.8	26.9	11.6	31.8	-17.3	12.2
Russell 1000 Quality Factor	13.3	2.1	10.7	28.1	-2.7	32.2	26.3	30.2	-21.4	31.9
Russell 1000	13.2	0.9	12.1	21.7	-4.8	31.4	21.0	26.5	-19.1	26.5

Return/Risk Ratio and Drawdown - Total Return

Index (USD)	Return/Risk Ratio				Drawdown (%)			
	1YR	3YR	5YR	10YR	1YR	3YR	5YR	10YR
FTSE US Risk Premium Index Series: Cash flow/Invested Capita	1.6	0.2	0.5	0.6	-6.5	-26.4	-39.5	-39.5
Russell 1000 Quality Factor	2.5	0.6	1.0	1.0	-10.1	-26.6	-32.1	-32.1
Russell 1000	2.8	0.6	0.9	0.8	-8.5	-25.1	-34.6	-34.6

Return/Risk Ratio – based on compound annual returns and volatility in Performance and Volatility table
Drawdown - based on daily data

Top 5 Constituents

Constituent	ICB Sector	Net MCap (USDm)	Wgt %
Freeport-McMoRan	Industrial Metals and Mining	42,909	3.08
Monster Beverage	Beverages	42,131	3.03
Pentair plc	Electronic and Electrical Equipment	41,966	3.02
First Solar Inc	Alternative Energy	41,755	3.00
Eastman Chemical	Chemicals	41,623	2.99
Totals		210,383	15.13

ICB Supersector Breakdown

ICB Code	ICB Supersector	No. of Cons	Net MCap (USDm)	Wgt %
2010	Health Care	7	268,256	19.29
3010	Banks	1	38,494	2.77
3020	Financial Services	3	115,275	8.29
4010	Automobiles and Parts	1	30,222	2.17
4020	Consumer Products and Services	3	117,571	8.45
4030	Media	1	38,944	2.80
4040	Retailers	2	80,279	5.77
4050	Travel and Leisure	1	40,504	2.91
4510	Food Beverage and Tobacco	2	79,608	5.72
4520	Personal Care Drug and Grocery Stores	1	37,099	2.67
5020	Industrial Goods and Services	3	118,153	8.49
5510	Basic Resources	2	80,782	5.81
5520	Chemicals	1	41,623	2.99
6010	Energy	4	148,006	10.64
6510	Utilities	4	156,124	11.22
Totals		36	1,390,942	100.00

INFORMATION

Index Universe

FTSE USA Index

Base Date

3 August 2001

Base Value

100

Investability Screen

Actual free float applied and liquidity screened

Index Calculation

Real-time and end-of-day index available

End-of-Day Distribution

Via FTP and email

Currency

USD, EUR, GBP, JPY

Review Dates

Monthly

Index Characteristics

Attributes	FTSE US Risk Premium Index Series: Cash flow/Invested Capita
Number of constituents	36
Dividend Yield %	1.61
Constituent (Wgt %)	
Average	2.78
Largest	3.08
Median	2.76
Top 10 Holdings (Wgt %)	29.76

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