

FTSE Market Based Allocation Index Series

Paving the way for a new generation of index solutions

Leveraging FTSE Russell's global benchmark coverage and multi-asset capabilities, FTSE Market Based Allocation Index Series intends to fill a gap in the market.

The FTSE Market Based Allocation Indexes are designed to represent the performance of multi-asset investment portfolios across a wide range of objectively-defined risk tolerance profiles. The asset allocation weights for each of the five indexes in the series are determined using transparent, data-driven methodology.

Representative

The asset allocation levels for each index are derived using methodology that takes into account the average asset allocation levels of real-world multi-asset funds as reported in the Morningstar fund database.

The indexes include a broad and diversified range of asset classes including equities, fixed income, cash, and other investments.

Objective

The series includes indexes that objectively define and represent five risk tolerance profiles, ranging from conservative to aggressive.

Real-world asset allocation funds, regardless of stated objectives and/or fund names, are ranked by volatility and grouped into quintiles. The average asset allocation levels of each quintile are used to set the asset allocation levels for each of the five indexes.

Transparency and governance

The indexes are constructed according to a transparent, publicly available set of rules.

The indexes are overseen by FTSE Russell's governance framework, which encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defense risk management framework.

Replicable

Flagship FTSE Russell indexes are used as asset allocation building blocks.

The asset allocation levels of each index can easily be replicated by purchasing index-based investment products such as Exchange Traded Funds (ETFs).

FTSE Russell's five risk tolerance categories:

CONSERVATIVE

1

FTSE US Market Based Allocation Conservative Index

2

FTSE US Market Based Allocation Moderately Conservative Index

3

FTSE US Market Based Allocation Moderate Index

4

FTSE US Market Based Allocation Moderately Aggressive Index

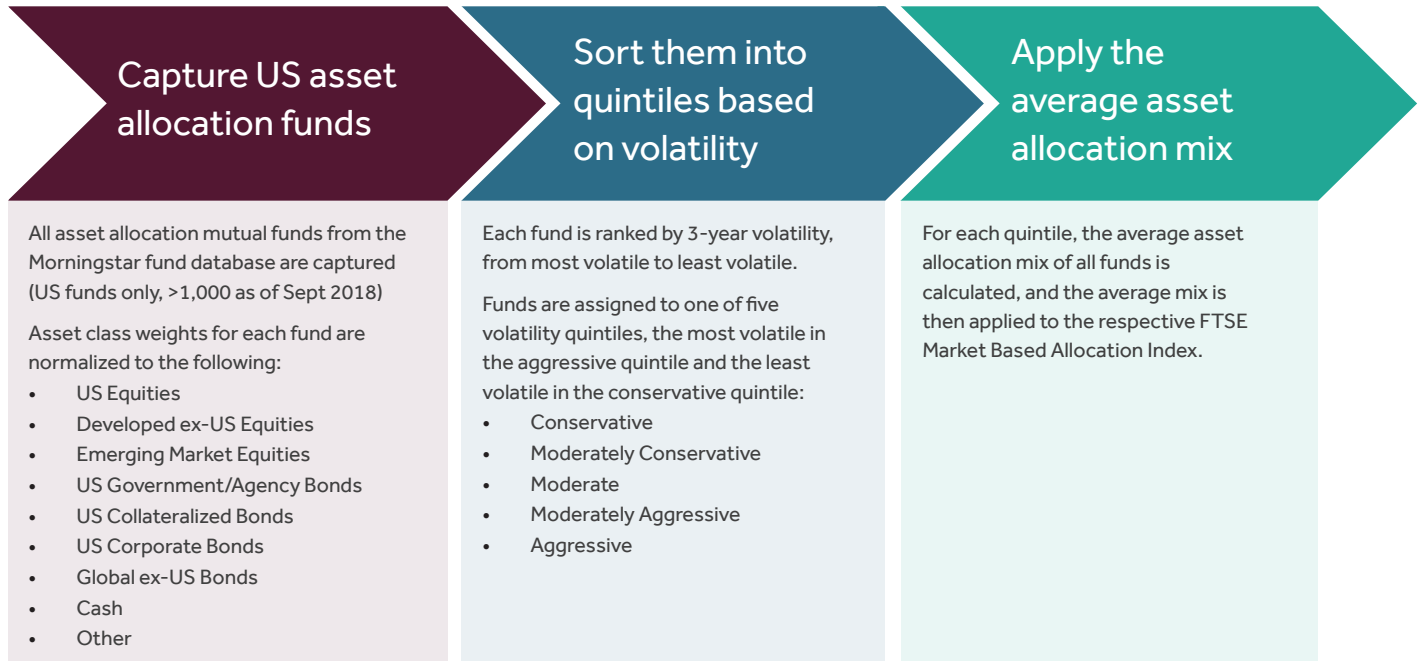
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FTSE US Market Based Allocation Aggressive Index

AGGRESSIVE

Index construction method

The method of index construction is transparent, objective and takes into account the average asset allocation mixes of real-world multi-asset funds.



Flagship FTSE Russell indexes

The equity and fixed income asset classes are represented by flagship FTSE Russell Indexes:

Equity	US Equities	Russell 3000® Index
	Developed ex US Equities	FTSE Developed All Cap ex US Index
	Emerging Market Equities	FTSE Emerging All Cap Index
Fixed Income	US Government/Agency Bonds	FTSE USBIG® Treasury/Agency Index
	US Collateralized Bonds	FTSE USBIG® Collateralized Index
	US Corporate Bonds	FTSE USBIG® Corporate Index
	Global ex US Bonds	FTSE Non-USD World Government Bond Index
Cash		Fed Funds Rate
Other Investments		Fed Funds Rate (For calculating benchmark indexes, 2% will be added to this rate)

Source: FTSE Russell

About FTSE Russell

FTSE Russell is a leading global index provider creating and managing a wide range of indexes, data and analytic solutions to meet client needs across asset classes, style and strategies. Covering 98% of the investable market, FTSE Russell indexes offer a true picture of global markets, combined with the specialist knowledge gained from developing local benchmarks around the world.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create investment funds, ETFs, structured products and index-based derivatives. FTSE Russell indexes also provide clients with tools for asset allocation, investment strategy analysis and risk management.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on index innovation and customer partnership applying the highest industry standards and embracing the IOSCO Principles. FTSE Russell is wholly owned by London Stock Exchange Group.

For more information, visit ftserussell.com.

To learn more, visit ftserussell.com; email info@ftserussell.com; or call your regional FTSE fixed income indexes team office:

EMEA

+44 (0) 20 7866 1810

North America

+1 877 503 6437

Asia-Pacific

Hong Kong +852 2164 3333

Tokyo +81 (3) 4563 6346

Sydney +61 (0) 2 8823 3521

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