FTSE Multi-Asset Composite Index Series
v1.0
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Section 1

Introduction

1.0 Introduction

1.1.1 The FTSE Multi-Asset Composite Index Series is designed to measure cross-asset market returns for a range of risk exposures. Each index is constructed as an index-level composite of at least one equity and one fixed income index. Some indexes also include a cash component. Each sub-family within the index series includes a selection of weighting ratios to proxy a range of asset class allocations.

1.1.2 FTSE hereby notifies users of the index series that it is possible that circumstances, including external events beyond the control of FTSE, may necessitate changes to, or the cessation of, the index and therefore, any financial contracts or other financial instruments that reference the index or investment funds which use the index to measure their performance should be able to withstand, or otherwise address the possibility of changes to, or cessation of, the index.

1.1.3 Index users who choose to follow this index or to buy products that claim to follow this index 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 nor its subsidiary undertakings (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 errors or 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 errors or inaccuracies in the compilation of the Index or any constituent data.

1.2 FTSE Russell

## 1.3 Index Series Objectives

1.3.1 The FTSE Multi-Asset Composite Index Series provides a measure of cross-asset returns for a range of asset types and global/regional/country exposures. Index-level composites are constructed based on underlying equity and fixed income indexes calculated and maintained by FTSE Russell. Some may also include a cash component.

1.3.2 The full list of multi-asset index-level composites within this series are as follows:

<table>
<thead>
<tr>
<th>Family</th>
<th>Sub-family</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FTSE Global Multi-Asset Composite Indexes</strong></td>
<td>FTSE All-World + FTSE World Government Bond Indexes</td>
</tr>
<tr>
<td></td>
<td>FTSE Global All Cap + FTSE World Broad Investment Grade Bond Indexes</td>
</tr>
<tr>
<td><strong>FTSE Regional-Global Multi-Asset Composite Indexes</strong></td>
<td>FTSE All-World + FTSE US Broad Investment Grade Index</td>
</tr>
<tr>
<td></td>
<td>FTSE All-World + FTSE Euro Broad Investment Grade Bond Indexes</td>
</tr>
<tr>
<td><strong>FTSE Euro Multi-Asset Composite Indexes</strong></td>
<td>FTSE Eurozone + FTSE Euro Broad Investment Grade Bond Indexes</td>
</tr>
<tr>
<td></td>
<td>FTSE Eurozone + FTSE Eurozone Government Bond Indexes</td>
</tr>
<tr>
<td><strong>FTSE US Multi-Asset Composite Indexes</strong></td>
<td>Russell 1000 + FTSE US Broad Investment Grade Indexes</td>
</tr>
<tr>
<td></td>
<td>Russell 1000 Value + FTSE US Broad Investment Grade Indexes</td>
</tr>
<tr>
<td></td>
<td>Russell 1000 + FTSE US Treasury Indexes</td>
</tr>
<tr>
<td></td>
<td>Russell 3000 + FTSE US Broad Investment Grade Indexes</td>
</tr>
<tr>
<td><strong>FTSE China Multi-Asset Composite Indexes</strong></td>
<td>FTSE China A50 + FTSE Chinese Government Bond Indexes</td>
</tr>
<tr>
<td></td>
<td>FTSE China A + FTSE Chinese Government and Policy Bank Bond Indexes</td>
</tr>
<tr>
<td></td>
<td>FTSE China A All Cap + FTSE Chinese Broad Bond Indexes</td>
</tr>
<tr>
<td><strong>FTSE Emerging Markets Multi-Asset Composite Indexes</strong></td>
<td>FTSE Emerging + FTSE Emerging Markets Government Bond Indexes</td>
</tr>
<tr>
<td></td>
<td>FTSE Emerging + FTSE Emerging Markets US Dollar Government Bond Indexes</td>
</tr>
</tbody>
</table>
1.4 **Total Return Index**

1.4.1 A total return index is calculated for each composite index within each sub-family. A total return index accounts for both the price changes and interest or dividend accrual for all underlying instruments (equities, bonds and cash). In addition to the Total Return Index Value, the following index statistics are also calculated:

- Daily Return
- Month to Date Return
- Year to Date Return

All values are reported in four currencies: USD, EUR, GBP, JPY, except for the FTSE China Multi-Asset Composite Indexes, which are reported in CNY only.

1.5 **Index Customizations**

In accordance with the methodology described in these Ground Rules, FTSE Russell offers custom multi-asset composites that include other underlying fixed income or equity indexes calculated and maintained by FTSE Russell, or different specified target weights.
Section 2

Management Responsibilities

2.0 Management Responsibilities

2.1 FTSE International Limited (FTSE)

2.1.1 FTSE is the benchmark administrator of the Index Series.

2.1.2 FTSE is responsible for the daily calculation, production and operation of the FTSE Multi-Asset Composite Index Series. Please see the Ground Rules for each of the underlying indexes for further details on management responsibilities for those indexes, which includes responsibilities for constituent data.

2.1.3 These Ground Rules set out the methodology and provide information about the publication of the FTSE Multi-Asset Composite Index Series.

2.2 Amendments to these Ground Rules

2.2.1 These Ground Rules shall be subject to regular review 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. Any feedback will be considered by the FTSE Russell Product Governance Board before any changes are made.
Section 3

FTSE Russell Index Policies

3.0 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. Additional Index Policies for the calculation and pricing of underlying benchmarks can be found in their respective Ground Rules.

3.1 Queries and Complaints

FTSE Russell’s complaints procedure can be accessed using the following link:

Benchmark_Determination_Complaints_Handling_Policy.pdf

3.2 Recalculation Policy and Guidelines

The Recalculation Policy and Guidelines for Multi-Asset Indexes document is available from the FTSE Russell website or by contacting info@ftserussell.com.

Multi_Asset_Recalculation_Policy_and_Guidelines

3.3 Policy for Benchmark Methodology Changes

3.3.1 Details of FTSE Russell’s policy for making benchmark methodology changes can be accessed using the following link:

Policy_for_Benchmark_Methodology_Changes.pdf
Section 4

Index Eligibility, Pricing and Rebalancing

4.0 Underlying Index Construction and Multi-Asset Index Rebalancing

4.1 Eligibility Criteria of Underlying Indexes

The index eligibility criteria for each underlying index to a composite can be found in its Ground Rules. Please see these documents for further details.

4.2 Pricing Sources of Underlying Indexes

4.2.1 The pricing methodology for each underlying index to a composite can be found in its Ground Rules. Please see these documents for further details.

4.3 Multi-Asset Composite Index Rebalancing

4.3.1 The weighting of each composite index is reset on the last business day of each month, whereby the underlying index weightings are reset to their target levels (e.g. 60% equity index and 40% fixed income index). Intra-month, the weights of the underlying indexes may drift with market movements.

4.3.2 Each index series with two underlying indexes will be produced in four standard exposures: 80/20, 60/40, 50/50, 30/70 (equity index / fixed income index) per cent. Where cash is included in a standard index, its weight will be 2% at rebalance, and the equity index and fixed income index weightings will be reduced by 1% each (e.g. 79/19/2 per cent).

4.3.3 Typically, rebalancing of index constituents for underlying indexes are determined on a monthly basis for fixed income indexes and either quarterly, semi-annually, or annually for equity indexes. Please see the Ground Rules for the underlying indexes for further details.
Appendix A: Multi-Asset Composite Index Calculations

Multi-Asset Composite Index Return Calculations

Each index return is the simple sum of its underlying index returns with static weights, as follows:

\[
MTD\_MA\_Ret(t) = (Weight\_EQ \times MTD\_EQ\_Ret(t)) + (Weight\_FI \times MTD\_FI\_Ret(t)) + (Weight\_Cash \times MTD\_CASH\_Ret(t))
\]

Multi Asset Index Value (t) = (Multi Asset Index Value (last business day of prior month of t)) \times (1 + MTD\_MA\_Ret(t))

Where,

\[
Weight\_EQ + Weight\_FI + Weight\_Cash = 1
\]

Weight, is the % allocation for each equity (EQ), fixed income (FI) and cash index component, as outlined in Rule 4.3

- MTD\_MA\_Ret(t) is multi asset Month to Date index return at day t
- MTD\_EQ\_Ret(t) is equity Month to Date index return at day t
- MTD\_FI\_Ret(t) is fixed income Month to Date index return at day t
- MTD\_CASH\_Ret(t) is cash Month to Date index return at day t

Calculation Dates

- Each index will be published on any day in which either the fixed income or equity component is published, excluding December 25th and January 1st. Publication days will vary by index and geography.
- Where one underlying index is not published on a given day, but the composite index is, the previous days value is used for the underlying index.
- At least one of the equity or fixed income components of the composite index must be published on a given day, for the composite to be published.
- The Base Dates for each index in the series can be found in Table 1.
Table 1: Base Dates for Sub-Families in FTSE Multi-Asset Composite Index Series

<table>
<thead>
<tr>
<th>Sub-family</th>
<th>Base Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTSE All-World + FTSE World Government Bond Indexes</td>
<td>30/06/2000</td>
</tr>
<tr>
<td>FTSE Global All Cap + FTSE World Broad Investment Grade Bond Indexes</td>
<td>29/08/2003</td>
</tr>
<tr>
<td>FTSE US-Global Composite Indexes</td>
<td>29/08/2003</td>
</tr>
<tr>
<td>FTSE Euro-Global Composite Indexes</td>
<td>29/08/2003</td>
</tr>
<tr>
<td>FTSE Eurozone + FTSE Euro Broad Investment Grade Bond Indexes</td>
<td>29/08/2003</td>
</tr>
<tr>
<td>FTSE Eurozone + FTSE Eurozone Government Bond Indexes</td>
<td>29/08/2003</td>
</tr>
<tr>
<td>Russell 1000 + FTSE US Broad Investment Grade Indexes</td>
<td>31/01/2003</td>
</tr>
<tr>
<td>Russell 1000 Value + FTSE US Broad Investment Grade Indexes</td>
<td>31/01/2003</td>
</tr>
<tr>
<td>Russell 1000 + FTSE US Treasury Indexes</td>
<td>31/01/2003</td>
</tr>
<tr>
<td>Russell 3000 + FTSE US Broad Investment Grade Indexes</td>
<td>31/01/2003</td>
</tr>
<tr>
<td>FTSE China A50 + FTSE Chinese Government Bond Indexes</td>
<td>28/02/2009</td>
</tr>
<tr>
<td>FTSE China A + FTSE Chinese Government and Policy Bank Bond Indexes</td>
<td>31/12/2010</td>
</tr>
<tr>
<td>FTSE China A All Cap + FTSE Chinese Broad Bond Indexes</td>
<td>21/12/2013</td>
</tr>
<tr>
<td>FTSE Emerging + FTSE Emerging Markets Government Bond Indexes</td>
<td>31/12/2007</td>
</tr>
</tbody>
</table>
Appendix B: Further Information

For further information on the FTSE Multi-Asset Composite Index Series please visit www.ftserussell.com or e-mail info@ftserussell.com. Contact details can also be found on this website.