



---

# FTSE Multi-Asset Composite Index Series

v1.0

---



## Contents

---

<b>1.0</b>	<b>Introduction.....</b>	<b>3</b>
<b>2.0</b>	<b>Management Responsibilities .....</b>	<b>6</b>
<b>3.0</b>	<b>FTSE Russell Index Policies .....</b>	<b>7</b>
<b>4.0</b>	<b>Index Eligibility, Pricing and Rebalancing.....</b>	<b>8</b>
	<b>Appendix A: Multi-Asset Composite Index Calculations .....</b>	<b>9</b>
	<b>Appendix B: Further Information .....</b>	<b>11</b>

## 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

FTSE Russell is a trading name of FTSE International Limited, Frank Russell Company, FTSE Global Debt Capital Markets Limited (and its subsidiaries FTSE Global Debt Capital Markets Inc. and MTSNext Limited), Mergent, Inc., FTSE Fixed Income LLC and The Yield Book Inc.

### 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:

Family	Sub-family
<b>FTSE Global Multi-Asset Composite Indexes</b>	FTSE All-World + FTSE World Government Bond Indexes FTSE Global All Cap + FTSE World Broad Investment Grade Bond Indexes
<b>FTSE Regional-Global Multi-Asset Composite Indexes</b>	FTSE All-World + FTSE US Broad Investment Grade Index FTSE All-World + FTSE Euro Broad Investment Grade Bond Indexes
<b>FTSE Euro Multi-Asset Composite Indexes</b>	FTSE Eurozone + FTSE Euro Broad Investment Grade Bond Indexes FTSE Eurozone + FTSE Eurozone Government Bond Indexes
<b>FTSE US Multi-Asset Composite Indexes</b>	Russell 1000 + FTSE US Broad Investment Grade Indexes Russell 1000 Value + FTSE US Broad Investment Grade Indexes Russell 1000 + FTSE US Treasury Indexes Russell 3000 + FTSE US Broad Investment Grade Indexes
<b>FTSE China Multi-Asset Composite Indexes</b>	FTSE China A50 + FTSE Chinese Government Bond Indexes FTSE China A + FTSE Chinese Government and Policy Bank Bond Indexes FTSE China A All Cap + FTSE Chinese Broad Bond Indexes
<b>FTSE Emerging Markets Multi-Asset Composite Indexes</b>	FTSE Emerging + FTSE Emerging Markets Government Bond Indexes FTSE Emerging + FTSE Emerging Markets US Dollar Government Bond Indexes

## **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 (at least once a year) 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](mailto: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:

$$\begin{aligned} MTD\_MA\_Ret(t) &= (Weight_{EQ} * MTD\_EQ\_Ret(t) + Weight_{FI} * MTD\_FI\_Ret(t) + Weight_{CASH} \\ & * MTD\_CASH\_Ret(t)) \end{aligned}$$

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

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 25<sup>th</sup> and January 1<sup>st</sup>. 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**

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



## Appendix B: Further Information

---

For further information on the FTSE Multi-Asset Composite Index Series please visit [www.ftserussell.com](http://www.ftserussell.com) or e-mail [info@ftserussell.com](mailto:info@ftserussell.com). Contact details can also be found on this website.

---

© 2019 London Stock Exchange Group plc and its applicable group undertakings (the "LSE Group"). The LSE Group includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. and FTSE Global Debt Capital Markets Limited (together, "FTSE Canada"), (4) MTSNext Limited ("MTSNext"), (5) Mergent, Inc. ("Mergent"), (6) FTSE Fixed Income LLC ("FTSE FI") and (7) The Yield Book Inc ("YB"). All rights reserved.

The FTSE Multi-Asset Composite Index Series is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada and MTSNext, Mergent, FTSE FI and YB. "FTSE®", "Russell®", "FTSE Russell®", "MTS®", "FTSE4Good®", "ICB®", "Mergent®", "The Yield Book®" and all other trademarks and service marks used herein (whether registered or unregistered) are trade marks and/or service marks owned or licensed by the applicable member of the LSE Group or their respective licensors and are owned, or used under licence, by FTSE, Russell, MTSNext, FTSE Canada, Mergent, FTSE FI, YB.

All information is provided for information purposes only. Every effort is made to ensure that all information given in this publication is accurate, but no responsibility or liability can be accepted by any member of the LSE Group nor their respective directors, officers, employees, partners or licensors for any errors or for any loss from use of this publication or any of the information or data contained herein.

No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE Multi-Asset Composite Index Series or the fitness or suitability of the Index Series for any particular purpose to which it might be put.

No member of the LSE Group nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of the LSE Group nor their respective directors, officers, employees, partners or licensors make any representation regarding the advisability of investing in any asset. A decision to invest in any such asset should not be made in reliance on any information herein. Indexes cannot be invested in directly. Inclusion of an asset in an index is not a recommendation to buy, sell or hold that asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of the LSE Group. Use and distribution of the LSE Group index data and the use of their data to create financial products require a licence with FTSE, Russell, FTSE Canada, MTSNext, Mergent, FTSE FI, YB and/or their respective licensors.