

Ground Rules



FTSE Multi-Asset Composite Index Series

v1.7

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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 indices 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 The FTSE Multi-Asset Composite Index Series does not take account of ESG factors in its design.
- 1.1.3 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.
- 1.1.4 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 FTSE Fixed Income Europe Limited), FTSE Fixed Income LLC, The Yield Book Inc and Beyond Ratings.

- 1.3 The FTSE Multi-Asset Composite Index Series does not take account of ESG factors in its index design.

1.4 Index Series Objectives

1.4.1 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 indices calculated and maintained by FTSE Russell. Some may also include a cash component.

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

| Family | Sub-family |
|--|--|
| FTSE Global Multi-Asset Composite Indices | FTSE All-World + FTSE World Government Bond Indices FTSE Global All Cap + FTSE World Broad Investment Grade Bond Indices |
| FTSE Regional-Global Multi-Asset Composite Indices | FTSE All-World + FTSE US Broad Investment Grade Index FTSE All-World + FTSE Euro Broad Investment Grade Bond Indices |
| FTSE Euro Multi-Asset Composite Indices | FTSE Eurozone + FTSE Euro Broad Investment Grade Bond Indices FTSE Eurozone + FTSE Eurozone Government Bond Indices |
| FTSE US Multi-Asset Composite Indices | Russell 1000 + FTSE US Broad Investment Grade Indices Russell 1000 Value + FTSE US Broad Investment Grade Indices Russell 1000 + FTSE US Treasury Indices Russell 3000 + FTSE US Broad Investment Grade Indices |
| FTSE China Multi-Asset Composite Indices | FTSE China A50 + FTSE Chinese Government Bond Indices FTSE China A + FTSE Chinese Government and Policy Bank Bond Indices FTSE China A All Cap + FTSE Chinese Broad Bond Indices |
| FTSE Emerging Markets Multi-Asset Composite Indices | FTSE Emerging + FTSE Emerging Markets Government Bond Indices FTSE Emerging + FTSE Emerging Markets US Dollar Government Bond Indices |
| FTSE/JSE Multi-Asset Composite Index Series: Domestic | FTSE/JSE All-Share + FTSE/JSE All Bond Index FTSE/JSE All-Share + FTSE/JSE Inflation-Linked Government Index FTSE/JSE Capped SWIX + FTSE/JSE All Bond Index FTSE/JSE Capped SWIX + FTSE/JSE Inflation-Linked Government Index |
| FTSE/JSE Multi-Asset Composite Index Series: Global | FTSE/JSE All-Share + FTSE/JSE All Bond Index + FTSE Global Equity Index Series All Cap ex South Africa Indices |

| Family | Sub-family |
|--|--|
| | FTSE/JSE Capped SWIX + FTSE/JSE All Bond Index + FTSE Global Equity Index Series All Cap ex South Africa Indices FTSE/JSE All-Share + FTSE/JSE All Bond Index + FTSE Global Equity Index Series All Cap ex South Africa + FTSE World Government Bond Index (WGBI) Indices FTSE/JSE Capped SWIX + FTSE/JSE All Bond Index + FTSE Global Equity Index Series All Cap ex South Africa + FTSE World Government Bond Index (WGBI) Indices FTSE/JSE All-Share + FTSE/JSE All Bond Index + FTSE Global Equity Index Series All Cap ex South Africa + FTSE/JSE All Property Indices FTSE/JSE Capped SWIX + FTSE/JSE All Bond Index + FTSE Global Equity Index Series All Cap ex South Africa + FTSE/JSE All Property Indices |
| FTSE Infrastructure Multi-Asset Composite Indices | FTSE Global Core Infrastructure + FTSE Fixed Income Core Infrastructure Indices FTSE Global Core Infrastructure 50/50 + FTSE Fixed Income Core Infrastructure Indices FTSE Global Core Infrastructure + FTSE Fixed Income Core Infrastructure Investment Grade Indices FTSE Global Core Infrastructure 50/50 + FTSE Fixed Income Core Infrastructure Investment Grade Indices |

1.5 Total Return Index

1.5.1 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 Indices, which are reported in CNY only, and for the FTSE/JSE Multi-Asset Composite Index Series, which are reported in ZAR only.

1.6 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 indices 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.¹

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 indices for further details on management responsibilities for those indices, 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 Index Governance Board before any changes are made.

¹ The term administrator is used in this document in the same sense as it is defined in [Regulation \(EU\) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds](#) (the European Benchmark Regulation) and [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (the UK Benchmark Regulation).



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 Indices 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](#)

3.4 Index Policy in the Event Clients are Unable to Trade a Market or a Security

Details of FTSE Russell's treatment can be accessed using the following link:

[Index Policy in the Event Clients are Unable to Trade a Market or a Security.pdf](#)

3.5 FTSE Russell Governance Framework

3.5.1 To oversee its indices, FTSE Russell employs a governance framework that encompasses product, service and technology governance. The framework incorporates the London Stock Exchange Group's three lines of defence risk management framework and is designed to meet the requirements of the IOSCO Principles for Financial Benchmarks², the European benchmark regulation³ and the UK benchmark regulation⁴. The FTSE Russell Governance Framework can be accessed using the following link:

[FTSE_Russell_Governance_Framework.pdf](#)

² IOSCO Principles for Financial Benchmarks Final Report, FR07/13 July 2013

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds

⁴ The Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019

Section 4

Index Eligibility, Pricing and Rebalancing

4.0 Underlying Index Construction and Multi-Asset Index Rebalancing

4.1 Eligibility Criteria of Underlying Indices

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 Indices

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 indices may drift with market movements.
- 4.3.2 Each index series with two underlying indices 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 indices are determined on a monthly basis for fixed income indices and either quarterly, semi-annually, or annually for equity indices. Please see the Ground Rules for the underlying indices 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:

$$\begin{aligned}
 MTD_MA_Ret(t) &= (Weight_{EQ} * MTD_EQ_Ret(t) + Weight_{FI} * MTD_FI_Ret(t) + Weight_{CASH} \\
 &* MTD_CASH_Ret(t))
 \end{aligned}$$

$$\text{Multi Asset Index Value } (t) = (\text{Multi Asset Index Value (last business day of prior month of } t) * (1 + MTD_MA_Ret(t))$$

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 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

| Sub-family | Base Date |
|--|------------|
| FTSE All-World + FTSE World Government Bond Indices | 30/06/2000 |
| FTSE Global All Cap + FTSE World Broad Investment Grade Bond Indices | 29/08/2003 |
| FTSE US-Global Composite Indices | 29/08/2003 |
| FTSE Euro-Global Composite Indices | 29/08/2003 |
| FTSE Eurozone + FTSE Euro Broad Investment Grade Bond Indices | 29/08/2003 |
| FTSE Eurozone + FTSE Eurozone Government Bond Indices | 29/08/2003 |
| Russell 1000 + FTSE US Broad Investment Grade Indices | 31/01/2003 |
| Russell 1000 Value + FTSE US Broad Investment Grade Indices | 31/01/2003 |
| Russell 1000 + FTSE US Treasury Indices | 31/01/2003 |
| Russell 3000 + FTSE US Broad Investment Grade Indices | 31/01/2003 |
| FTSE China A50 + FTSE Chinese Government Bond Indices | 28/02/2009 |
| FTSE China A + FTSE Chinese Government and Policy Bank Bond Indices | 31/12/2010 |
| FTSE China A All Cap + FTSE Chinese Broad Bond Indices | 21/12/2013 |
| FTSE Emerging + FTSE Emerging Markets Government Bond Indices | 31/12/2007 |
| FTSE Emerging + FTSE Emerging Markets US Dollar Government Bond Indices | 31/12/2000 |
| FTSE/JSE All-Share + FTSE/JSE All Bond Index | 31/12/2009 |
| FTSE/JSE All-Share + FTSE/JSE Inflation-Linked Government Index | 30/04/2012 |
| FTSE/JSE Capped SWIX + FTSE/JSE All Bond Index | 31/12/2009 |
| FTSE/JSE Capped SWIX + FTSE/JSE Inflation-Linked Government Index | 30/04/2012 |
| FTSE/JSE All-Share + FTSE/JSE All Bond Index + FTSE Global Equity Index Series All Cap ex South Africa Indices | 31/12/2009 |
| FTSE/JSE Capped SWIX + FTSE/JSE All Bond Index + FTSE Global Equity Index Series All Cap ex South Africa Indices | 31/12/2009 |
| FTSE/JSE All-Share + FTSE/JSE All Bond Index + FTSE Global Equity Index Series All Cap ex South Africa + FTSE World Government Bond Index (WGBI) Indices | 31/12/2009 |
| FTSE/JSE Capped SWIX + FTSE/JSE All Bond Index + FTSE Global Equity Index Series All Cap ex South Africa + FTSE World Government Bond Index (WGBI) Indices | 31/12/2009 |
| FTSE/JSE All-Share + FTSE/JSE All Bond Index + FTSE Global Equity Index Series All Cap ex South Africa + FTSE/JSE All Property Indices | 31/12/2009 |
| FTSE/JSE Capped SWIX + FTSE/JSE All Bond Index + FTSE Global Equity Index Series All Cap ex South Africa + FTSE/JSE All Property Indices | 31/12/2009 |
| FTSE Global Core Infrastructure + FTSE Fixed Income Core Infrastructure Indices | 28/02/2010 |
| FTSE Global Core Infrastructure 50/50 + FTSE Fixed Income Core Infrastructure Indices | 28/02/2010 |
| FTSE Global Core Infrastructure + FTSE Fixed Income Core Infrastructure Investment Grade Indices | 28/02/2010 |
| FTSE Global Core Infrastructure 50/50 + FTSE Fixed Income Core Infrastructure Investment Grade Indices | 28/02/2010 |



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.

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