

FTSE Custom 150 Equal Weighted Discount Return Index

Objective

The FTSE Custom 150 Equal Weighted Discount Return Index is designed to measure the performance of the 150 most highly capitalized stocks listed on the London Stock Exchange. It employs a straightforward and transparent approach to evenly distribute weight across all 150 constituents, as opposed to weighting by market capitalization. Index constituents are the members of the FTSE 100 Index and the top 50 largest FTSE 250 constituent companies.

Index Characteristics

- Highly liquid, highly capitalized constituents
- Transparent rules-based methodology
- Simple equal weight approach
- By equally weighting a basket of securities, the index enhances diversification across industry sectors and individual securities
- Equal weighting, and the introduction of mid-cap companies, increases exposure to the size premium offered by smaller companies compared to the equivalent market-capitalization weighted index
- Regularly reviewed and rebalanced

Methodology Summary



Step 1: Determine Constituents: Top 150 companies listed on the London Stock Exchange by market capitalization.

FTSE 100

50 Stocks

FTSE 250



Step 2: Equal weight constituents: break the link between security price and index weight by setting all constituent weights to a consistent 0.667% on rebalancing date.



Step 3: Regularly review and rebalance: The index is reviewed and rebalanced on a quarterly basis to take into account any changes in constituent eligibility, corporate actions and to reset constituent weights equally.

Features

- The index uses a transparent, rules-based process
- Index constituents include all members of the FTSE 100 Index and the largest 50 members of the FTSE 250 Index
- The index constituents are reviewed on a quarterly basis in March, June, September and December.
- Index constituents are rebalanced back to equal weight at each quarterly review
- Bloomberg Code: UKX150EQ

For more information about our indexes, please visit ftserussell.com.

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EMEA

+44 (0) 20 7866 1810

North America

+1 877 503 6437

Asia-Pacific

Hong Kong +852 2164 3333

Tokyo +81 3 3581 2764

Sydney +61 (0) 2 8823 3521