



Index overview

FTSE  
Russell

# FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons Index

Aligning values with investment choices

## Overview

Investors are increasingly seeking to invest in companies that align with their values. One approach to accomplishing this objective is to remove certain companies from a portfolio based on the impact of their products on society and the environment.

The FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons Index, which is part of the FTSE Global Choice Index Series, is a market capitalization weighted index that removes companies involved in fossil fuels, nuclear power, adult entertainment, alcohol, gambling, tobacco, and weapons.

## Benefits

The FTSE Developed ex Australia ex Non-Renewable Energy/Vice Products/Weapons Index helps align values with investment objectives by screening out companies with exposure to products that may have a negative impact on the environment or society.

## Features

- Consists of eligible securities in the underlying FTSE Developed ex Australia Index, reflecting 23 Developed markets
- Based on the FTSE Global Equity Index Series (GEIS) which captures 98% of the world's investable market capitalization. More than \$1.2 trillion in passive funds<sup>1</sup> track the FTSE GEIS of which the FTSE Developed ex Australia indexes are included
- Company screening based on fundamental research about a company's business lines and product involvement
- Transparent, rules-based method for applying values-based exclusions to a broad index

<sup>1</sup> Data as of December 31, 2017 as collected by FTSE Russell. For clients that did not report December assets, most recent assets were used as a proxy.

## Definitions

The FTSE Developed ex Australia ex Non-renewable Energy/Vice Products/Weapons Index applies nine negative screens across three categories:

<p><b>Non-Renewable Energy</b></p> <ul style="list-style-type: none"> <li>• Fossil Fuels</li> <li>• Nuclear Power</li> </ul> 	<p><b>Vice Products</b></p> <ul style="list-style-type: none"> <li>• Adult Entertainment</li> <li>• Alcohol</li> <li>• Gambling</li> <li>• Tobacco</li> </ul> 	<p><b>Weapons</b></p> <ul style="list-style-type: none"> <li>• Controversial Weapons (e.g. cluster munitions)</li> <li>• Conventional Military Weapons</li> <li>• Firearms</li> </ul> 
--	--	---

Companies in the underlying index universe are researched annually for eligibility against the screens based on publicly reported information.

## Index construction process

### Starting universe

Start with the market capitalization weighted index, FTSE Developed ex Australia Index.

Step 1

### Screening

Exclude companies based on the nine prohibited product screens.

Step 1

Step 2

### Publish and Review Index

The index is reviewed quarterly in March, June, September, and December.

## Supporting the sustainable investment market

FTSE Russell brings nearly two decades of experience in ESG data and benchmarks, and provides data analytics, ratings and indexes covering thousands of companies worldwide.

As an index provider, FTSE Russell plays an active role in the major regional sustainable investment industry associations. Ahead of its launch, along with other pioneers in the industry, FTSE Russell also helped develop the United Nations-backed Principles for Responsible Investment (PRI) and became a founding signatory and the first index provider member.

FTSE Russell is part of London Stock Exchange Group (LSEG), which is a member of the Sustainable Stock Exchanges Initiative and chaired its working group to develop Model Guidance on ESG Reporting for exchanges globally. This resulted in LSEG publishing its own Guidance in February 2017.

**For more information about our indexes or products, please visit [ftserussell.com](http://ftserussell.com).**

© 2018 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 GDCM"), (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.

FTSE Russell® is a trading name of FTSE, Russell, FTSE GDCM, MTS Next Limited, Mergent, FTSE FI and YB. "FTSE®", "Russell®", "FTSE Russell®", "MTS®", "FTSE4Good®", "ICB®", "Mergent®", "WorldBIG®", "USBIG®", "EuroBIG®", "AusBIG®", "The Yield Book®", and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks 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 GDCM, Mergent, FTSE FI or YB. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator.

All information is provided for information purposes only. All information and data contained in this publication is obtained by the LSE Group, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical error as well as other factors, however, such information and data is provided "as is" without warranty of any kind. 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 accuracy, timeliness, completeness, merchantability of any information or of results to be obtained from the use of the FTSE Russell Indexes or the fitness or suitability of the FTSE Russell Indexes for any particular purpose to which they might be put. Any representation of historical data accessible through FTSE Russell Indexes is provided for information purposes only and is not a reliable indicator of future performance.

No responsibility or liability can be accepted by any member of the LSE Group nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any error (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of the LSE Group is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of the LSE Group nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing contained in this document or accessible through FTSE Russell Indexes, including statistical data and industry reports, should be taken as constituting financial or investment advice or a financial promotion.

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 data requires a licence from FTSE, Russell, FTSE GDCM, MTSNext, Mergent, FTSE FI, YB and/or their respective licensors.

**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](https://ftserussell.com).

To learn more, visit [ftserussell.com](https://ftserussell.com); email [info@ftserussell.com](mailto:info@ftserussell.com); or call your regional Client Service 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