

## SOLUTION OVERVIEW

# FTSE Cash Flow Focus Index Series

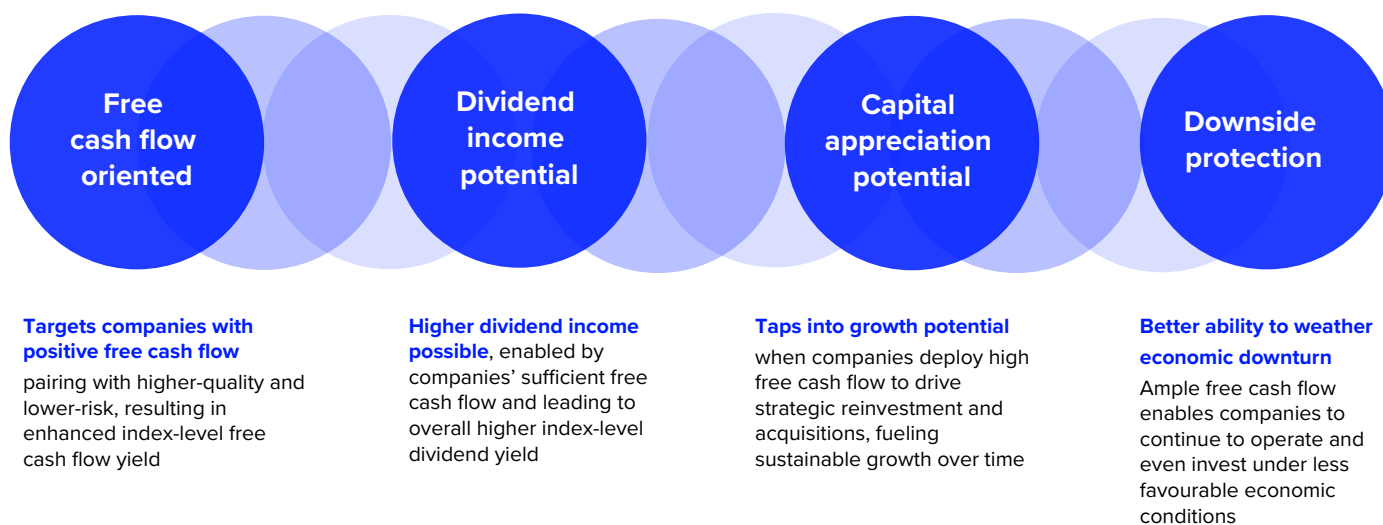
A defensive style index solution  
with higher dividend income return



### Overview

The FTSE Cash Flow Focus Index Series is designed to overall achieve a consistently higher index-level free cash flow yield vs. the underlying universe. Strong free cash flow empowers the companies to distribute higher dividends, settle debts, and fuel business expansions. By incorporating factor elements, this index series aims to identify high-quality companies with overall index-level free cash flow focus, which provides investors with the ability to pursue higher income returns while being defensive during the downturns.

### Features



### Periodic Review

The indices under the FTSE Cash Flow Focus Index Series are reviewed quarterly in March, June, September and December.

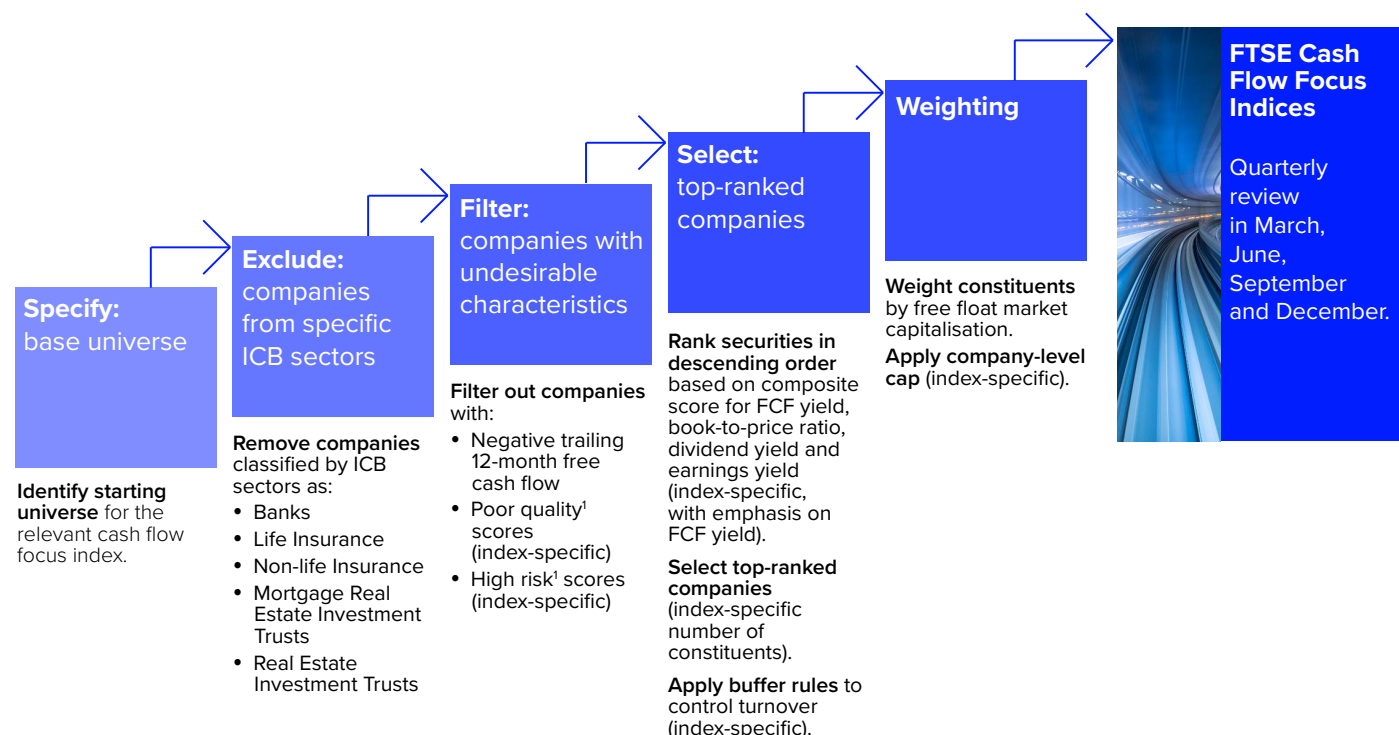
### Transparency and governance

Managed according to a publicly available, transparent rule set, and in accordance with FTSE Russell's global best practice standards of index governance.



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## Construction Process



<sup>1</sup> Quality and risk refers to the Quality and Low Volatility factors defined in the [FTSE Global Factor Index Series Ground Rules](#), respectively.

For detailed methodology please refer to [FTSE Cash Flow Focus Index Series Ground Rules](#).

## Available Indices

| Index Name  | Screen thresholds |      | Composite Score Weight Assignments* |                          |                              |                                | Company-level capping | Number of Securities | Buffer Rules        |                     |
|---|-------------------|------|-------------------------------------|--------------------------|------------------------------|--------------------------------|-----------------------|----------------------|---------------------|---------------------|
|   | Quality           | Risk | w <sub>c</sub><br>(FCF)*            | w <sub>b</sub><br>(Book) | w <sub>d</sub><br>(Dividend) | w <sub>e</sub><br>(Net Income) |                       |                      | Inclusion threshold | Exclusion threshold |
| Non-Russell US Indexes based indices                |                   |      |                                     |                          |                              |                                |                       |                      |                     |                     |
| FTSE China A Stock Connect Cash Flow Focus Index    | 50%               | 50%  | 0.4                                 | 0.2                      | 0.2                          | 0.2                            | 5%                    | 50                   | 30                  | 70                  |
| FTSE Japan Cash Flow Focus Index                    | 20%               | 20%  | 1.0                                 | —                        | —                            | —                              | 5%                    | 50                   | 30                  | 70                  |
| FTSE Developed Europe Cash Flow Focus Index         | 20%               | 20%  | 1.0                                 | —                        | —                            | —                              | 5%                    | 100                  | 60                  | 140                 |
| FTSE Asia Pacific ex Japan Cash Flow Focus Index    | 50%               | 20%  | 1.0                                 | —                        | —                            | —                              | 5%                    | 100                  | 60                  | 140                 |
| FTSE Southbound Stock Connect Cash Flow Focus Index | 40%               | 10%  | 0.7                                 | —                        | 0.3                          | —                              | 10%                   | 30                   | 20                  | 40                  |
| Russell US Indexes based indices                    |                   |      |                                     |                          |                              |                                |                       |                      |                     |                     |
| Russell 1000 Cash Flow Focus Index                  | 20%               | 20%  | 100%                                | N/A                      | N/A                          | N/A                            | 5%                    | 100                  | 60                  | 140                 |
| Russell 2000 Cash Flow Focus Index                  | 40%               | 40%  | 100%                                | N/A                      | N/A                          | N/A                            | 5%                    | 100                  | 60                  | 140                 |

\* For Russell US Indexes based indices, the FCF metric is based on free cash flow rather than free cash flow yield.

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Market participants look to us for our expertise in developing and managing global index solutions across asset classes. Asset owners, asset managers, ETF providers and investment banks choose FTSE Russell solutions to benchmark their investment performance and create investment funds, ETFs, structured products, and index-based derivatives. Our clients use our solutions for asset allocation, investment strategy analysis and risk management, and value us for our robust governance process and operational integrity.

For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

## Contact Us

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