SOLUTION OVERVIEW

FTSE Global Choice Index Series

Aligning investment choices with values

Overview

An increasing number of investors want to align their portfolio with their values. One approach to accomplishing this objective is to select companies based on their impact on society and the environment.

The FTSE Global Choice Index Series is a market capitalisation weighted index series with a rules-based methodology for defining how the products and conduct of a company impact society and the environment. The result is a framework for applying robust and customisable values-based exclusions to a broad market index.

Definitions

The FTSE Global Choice Index Series includes negative screens in three product categories and two conduct categories:

- The product-related screening criteria covers: Non-Renewable Energy, Vice Products, and Weapons
- The conduct-related screening criteria covers: Controversies and Diversity practices

Individual indices within the FTSE Global Choice Index Series may only apply a subset of the screening categories.

Features

- Based on any selection of FTSE Russell's equity universe, which captures 98% of the world's investable market capitalisation
- Company screening based on fundamental research about a company's business lines, product involvement and conduct
- Transparent, rules-based framework for applying values-based exclusions to a broad index

Benefits

- Comprehensive set of product and conduct screens in the standard index family
- Clients can construct bespoke 'Choice' indices based on particular subsets of the screens that align their investment objectives with their values

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 capitalisation weighted index universe, dependent on the exposure required, e.g. FTSE Global All Cap, FTSE Developed or FTSE Emerging Index.

Step 1

Screening

Exclude companies based on the defined product and conduct screens:

Step 1 **Step 2**

Publish and Review Index

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

About FTSE Russell

FTSE Russell is a leading global provider of index and benchmark solutions, spanning diverse asset classes and investment objectives. As a trusted investment partner we help investors make better-informed investment decisions, manage risk, and seize opportunities.

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.

To learn more, visit lseg.com/ftse-russell; email 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) 6441 1430

Sydney +61 (0)2 7228 5659

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FR2855400/12-25