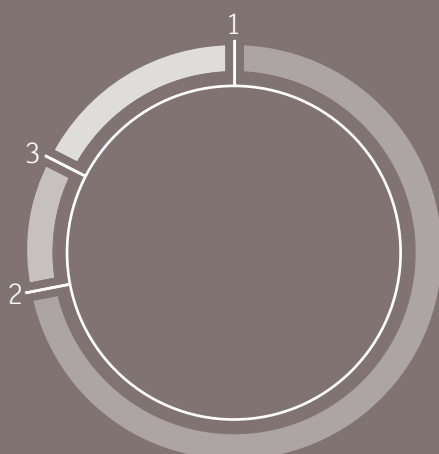


Information Services

Sub-segment

£902m

2018: £841m



- 1 ● **72%**
FTSE Russell
- 2 ● **11%**
Real time data
- 3 ● **17%**
Other

Introduction

Information Services is a leading global multi-asset class provider of indices, analytics and data solutions. The division also provides customers with a range of real time and reference data, news, software, regulatory reporting and reconciliation services. These are offered through FTSE Russell and other businesses that include Mergent, SEDOL, UnaVista and RNS.

Revenue drivers

FTSE Russell revenues originate from: Subscription based fees, which include recurring fees for index benchmark licences, data subscriptions and analytics services, and Asset Based fees, which are linked to assets under management (AUM) for ETFs and passive funds benchmarked to FTSE Russell indices, and from index derivatives contracts.

Real Time Data revenues are driven by access charges to our real time price and trading data, on either a display or non-display basis, as well as fees charged to vendors who re-distribute this data.

Other Information Services revenue comes from fees for the services offered by businesses including Mergent, SEDOL, UnaVista and RNS. These are a mixture of subscription and licence fees.

Further information

As of 1 January 2020, UnaVista, our trade reporting and reconciliation business that previously reported as part of the Information Services division, reports as part of our Post Trade division. For more information on Information Services, see: www.lseg.com and www.ftserussell.com

Market trends and our response for Information Services can be found on pages 14–20. Profitability of each segment can be found in the Financial Review on pages 53–59. A glossary of terms can be found on pages 204–206.

Highlights

**FTSE Russell
Subscription**

340+

Over 340 new equity indices launched in the year

**FTSE Russell
Asset based**

US\$765 billion

ETF AUM benchmarked to FTSE Russell indices at year end (2018: US\$606bn)

Other Information

345 thousand

RNS announcements issued (2018: 342 thousand)

Sustainability

€5.8 billion

FTSE Russell ESG benchmark selected for new passive equity fund designed to align with aspects of the UN SDGs

Segmental review

(continued)

US\$15
trillion

AUM benchmarked to
FTSE Russell indices

Information Services

- Information Services revenue up 7% to £902 million on a reported basis, and up 5% on a constant currency basis

FTSE Russell

- FTSE Russell revenues up 10% to £649 million (2018: £592 million), and up 6% on a constant currency basis
- 2017–2019 target for FTSE Russell double-digit revenue growth each year, achieved in 2019 with 10%

FTSE Russell is a leading global provider of benchmarks, analytics, and data solutions with approximately US\$15 trillion assets under management (AUM) benchmarked to its indices.

FTSE Russell also provides a range of data and analytics solutions to assist customers in their risk management, investment strategy analysis and in asset allocation, as well as the analytics tools provided through The Yield Book.

Sustainability is an increasingly important component of investment decisions for domestic and international investors, with growing demand among asset owners and asset managers to integrate climate risk and ESG considerations into their equity and fixed income investment strategies. With nearly two decades of sustainable investment experience, FTSE Russell provides clients with sustainable investment data models, ratings, analytics, and indices covering thousands of companies across developed and emerging markets globally.

In June, LSEG completed the acquisition of Beyond Ratings, a highly regarded provider of ESG data for fixed income investors, enabling the Group to further support clients and grow capabilities around sustainable finance and investment.

Index – Subscription

- Index – Subscription revenues up 12% to £418 million (2018: £373 million), and up 8% on a constant currency basis

FTSE Russell calculates widely used indices across both equity and fixed income asset classes, including the FTSE 100, FTSE All-share, Russell 2000 and World Government Bond Index (WGBI), alongside multi-asset indices and custom indices created in response to client demand. In addition, indices increasingly focus on alternative investment strategies such as incorporating ESG considerations, smart beta, and factor-based metrics.

2019 saw the launch of the Climate WGBI, which utilises climate risk modelling developed by Beyond Ratings. This index allows sovereign debt investors to incorporate climate change risk considerations into their portfolios. [S](#)

Dutch pension fund, Pensioenfonds Detailhandel, selected a custom FTSE Russell ESG benchmark designed to align with aspects of the UN's Sustainable Development Goals (SDGs), as the basis of a new passive equity fund managed by BlackRock. [S](#)

Other index achievements during the year include the launch of a FTSE UK 100 ESG Select index which was selected by HSBC as the underlying benchmark for a series of new ESG-related structured products, a new Chinese Green Bond index series, the first factor-based indices linked to the WGBI in partnership with Nomura, and a Multi-Asset Composite index series. [S](#)

In March, FTSE Russell announced its intention to launch an indicative FTSE Digital Assets index, to evaluate and test a benchmark for the most actively traded digital assets. This will also help assist in the establishment of new industry standards for the digital assets market in consultation with market participants.

Demonstrating FTSE Russell's continued engagement with China and in response to the reclassification of China A Shares to secondary emerging market status, China A Shares were included for the first time into FTSE Russell's flagship FTSE Global Equity Index Series (GEIS). The first phase of inclusion is expected to be completed in March 2020, alongside the transition of Saudi Arabia to secondary emerging market status.

A country classification framework for FTSE Russell global fixed income benchmarks was launched in early 2019 to enhance the transparency of the process used to govern benchmark inclusion. Across the year, Israel met the necessary criteria for inclusion in the WGBI and its addition has been announced for April 2020. China has been added to the Watch List for a potential upgrade towards the level required for inclusion. Several other fixed income markets are being considered for the introduction of standalone indices, such as Saudi Arabia, Nigeria, Vietnam, Argentina and Croatia.

Index – Asset Based

– Index – Asset Based revenues up 6% to £231 million (2018: £219 million), and up 2% on a constant currency basis

FTSE Russell indices are used by ETF issuers for a range of investable products. At the end of 2019, US\$765 billion AUM was benchmarked across 63 issuers of ETFs licensed by FTSE Russell.

FTSE4Good TIP Taiwan ESG Index was licensed by Yuanta SITC for the first ESG-focused ETF to be on the Taiwan Stock Exchange. Other ETF achievements in the year included FTSE Russell indices being chosen by Franklin Templeton for an additional eight equity ETFs, VanEck Australia selected FTSE Russell for a global real estate ETF, BetaShares launched Australia's first FTSE 100 ETF and a FTSE Russell green real estate index was licensed by BNP Paribas Asset Management for a new ETF listing.

FTSE Russell indices are licensed globally for derivatives trading across Europe, North America and Asia, demonstrating the Group's open access approach. During the year, 231 million derivative contracts based on FTSE Russell indices were traded, down 1% on the previous year, with lower volumes in the US and Italy, partially offset by strength in Asia led by the SGX traded FTSE China A50 Index Futures.

Real Time Data

– Real time data revenues up 3% to £97 million (2018: £94 million), also up 3% on a constant currency basis

Real time data revenue rose due to growth in redistribution licences while being partially offset by lower professional terminal usage across the Group which declined to 167,000 (2018: 174,000), with the UK at 65,000 (2018: 69,000) and Italy at 102,000 (2018: 105,000). Enterprise arrangements also offer longer-term revenue stability for LSEG. In accordance with MiFID II, real time data continued to be offered as disaggregated data packages giving customers more choice and flexibility. Real time data has also continued to focus on expanding its user base in Asia and has seen strong growth in the number of retail customers accessing the service in 2019.

Other Information Services

– Other revenues up 1% to £156 million (2018: £155 million) and down 1% on an organic and constant currency basis

UnaVista

UnaVista helps firms to reduce operational and regulatory risk through regulatory reporting, reference data and analytics solutions. UnaVista processed 9.3 billion reports across year (2018: 8.6 billion) and supported a range of clients to prepare for the next set of reporting obligations that are due to come into effect in 2020 under Securities Financing Transactions Regulation (SFT). From 1 January 2020, UnaVista reports under the new Post Trade division.

Reference data

The Group's range of reference data offerings include SEDOL, Mergent and LEI. The SEDOL Masterfile Service database provides clients with access to reference data on over 100 million securities, Mergent provides extensive data on private and public companies, while LEI allocates unique codes to identify legal entities with 178,000 assigned across six continents.

Regulatory News Service

Regulatory News Service (RNS) is the leading provider of regulatory disclosure services to UK listed and AIM companies. In 2019, more than 345,000 regulatory announcements were published by RNS (2018: 342,000), covering the majority of UK regulatory announcements. RNS is approved by the FCA to operate as a Primary Information Provider in the UK.

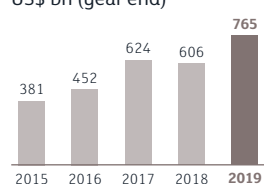
231
million

Derivative contracts
based on FTSE Russell
indices traded
(2018: 234 million)

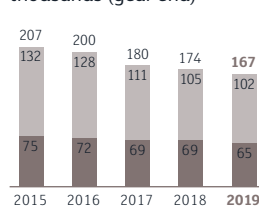
9.3
billion

Reports processed by
UnaVista in the year
(2018: 8.6 billion)

ETF assets under management benchmarked to FTSE Russell indices US\$ bn (year end)



LSE and Borsa Italiana terminals thousands (year end)



- LSE terminals
- Borsa Italiana terminals