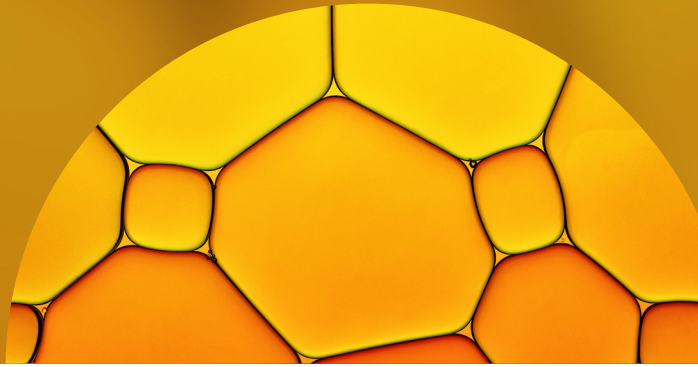


SOLUTION OVERVIEW

FTSE Global Factor Index Series

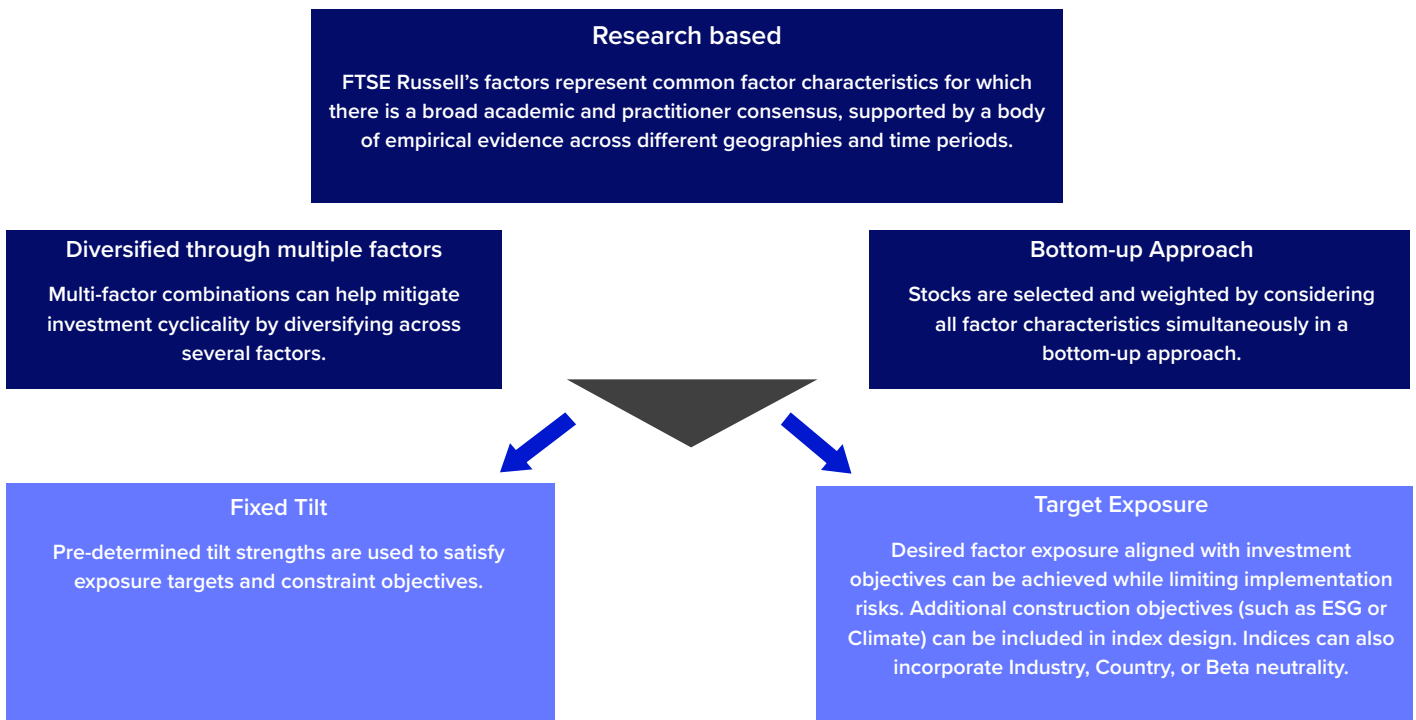


Overview

The FTSE Global Factor Index Series is a family of benchmarks designed to represent the performance of specific factor characteristics. This series applies a consistent and transparent methodology to achieve exposure to target factors, while considering levels of diversification and capacity. The indices are based on the market cap weighted FTSE All-World, Russell US and FTSE UK indices.

These indices provide access to the performance of five well-known equity market factors and additional tilt constraints (such as SI exposures and Yield) via single-factor and multi-factor indices.

Features



Main Factors: Drivers of Return

Factor	Description	Definition
Value	<p>The Value Premium: Stocks that appear cheap tend to perform better than stocks that appear expensive.</p> <p>Value tilts: Can help capture exposures at a reasonable price relative to their fundamentals.</p>	<p>1/3: Cash flow yield</p> <p>1/3: Earnings yield</p> <p>1/3: Sales to price (country relative)</p>
Small Size	<p>The Size Premium: Smaller companies tend to demonstrate higher performance than larger companies.</p> <p>Size tilts: Can help capture excess returns of smaller companies relative to their larger counterparts</p>	Total Market Capitalisation (natural log)
Momentum	<p>The Momentum Premium: Stock performance tends to persist, either continuing to rise or fall.</p> <p>Momentum tilts: Can lead to the selection of companies with strong recent performance, with the expectation that this will continue to produce short term excess returns in the future.</p>	11-month cumulative return (lagged by one month)
Quality	<p>The Quality Premium: Higher quality companies tend to demonstrate higher performance than lower quality companies.</p> <p>Quality tilts: Can help capture companies with the ability to consistently generate strong future cash flows, while limiting exposures to stocks that are unprofitable or highly leveraged.</p>	<p>1/2: ROA, Δ Asset Turnover, Accruals (equally weighted)</p> <p>1/2: Leverage ratio</p>
Low Volatility	<p>The Low Volatility Premium: Stocks that exhibit low volatility tend to perform better than stocks with higher volatility.</p> <p>Low volatility tilts: Can help capture companies with a historically lower risk (and higher return) profile relative to higher risk counterparts.</p>	5-year standard deviation (weekly returns)

Available Indices

Pure Single Factor Indices

- Pure Value Target Exposure Factor Index
- Pure Quality Target Exposure Factor Index
- Pure Size Target Exposure Factor Index
- Pure Momentum Target Exposure Factor Index
- Pure Low Volatility Target Exposure Factor Index

Parent Indices:

- FTSE All-World
- Russell 1000
- FTSE Developed ex US
- FTSE Emerging
- FTSE UK 350
- China A Free

Multi-Factor Indices

- FTSE All-World Target Exposure Qual/Vol Factor Index
- FTSE All-World Comprehensive Target Exposure Factor Index
- FTSE All-World Comprehensive High Target Exposure Factor Index
- FTSE All-World 0.4 Target Exposure Comprehensive Factor Index
- Russell 1000 Comprehensive Target Exposure Factor Index
- Russell 1000 Comprehensive High Target Exposure Factor Index
- Russell 1000 0.4 Target Exposure Comprehensive Factor Index
- FTSE Developed ex US Comprehensive High Target Exposure Factor Index
- FTSE Developed ex US Comprehensive Target Exposure Factor Index

*For a full list of available indices, please refer to the [ground rules](#).

Periodic Review

The indices under the FTSE Global Factor Index Series are reviewed periodically, in line with the respective underlying universe.

Transparency and Governance

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

Construction Process

Please refer to [Methodology](#) for more information



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.

Contact Us

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

Asia-Pacific

North America +1 877 503 6437

Hong Kong +852 2164 3333

Tokyo +81 (3) 6441 1430

Sydney +61 (0)2 7228 5659

Disclaimer

© 2024 London Stock Exchange Group plc and its applicable group undertakings ("LSEG"). LSEG 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 Canada"), (4) FTSE Fixed Income Europe Limited ("FTSE FI Europe"), (5) FTSE Fixed Income LLC ("FTSE FI"), (6) FTSE (Beijing) Consulting Limited ("WOFE") (7) Refinitiv Benchmark Services (UK) Limited ("RBSL"), (8) Refinitiv Limited ("RL") and (9) Beyond Ratings S.A.S. ("BR"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, WOFE, RBSL, RL, and BR. "FTSE®", "Russell®", "FTSE Russell®", "FTSE4Good®", "ICB®", "Refinitiv", "Beyond Ratings®", "WMM™", "FR™" 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 LSEG or their respective licensors and are owned, or used under licence, by FTSE, Russell, FTSE Canada, FTSE FI, FTSE FI Europe, WOFE, RBSL, RL or BR. FTSE International Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator. Refinitiv Benchmark Services (UK) 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 LSEG, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical inaccuracy as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of LSEG 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 LSEG Products, or of results to be obtained from the use of LSEG products, including but not limited to indices, rates, data and analytics, or the fitness or suitability of the LSEG products for any particular purpose to which they might be put. The user of the information assumes the entire risk of any use it may make or permit to be made of the information.

No responsibility or liability can be accepted by any member of LSEG 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 inaccuracy (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 LSEG is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of LSEG nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any representation regarding the advisability of investing in any asset or whether such investment creates any legal or compliance risks for the investor. A decision to invest in any such asset should not be made in reliance on any information herein. Indices and rates cannot be invested in directly. Inclusion of an asset in an index or rate is not a recommendation to buy, sell or hold that asset nor confirmation that any particular investor may lawfully buy, sell or hold the asset or an index or rate containing the asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

Past performance is no guarantee of future results. Charts and graphs are provided for illustrative purposes only. Index and/or rate returns shown may not represent the results of the actual trading of investable assets. Certain returns shown may reflect back-tested performance. All performance presented prior to the index or rate inception date is back-tested performance. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index or rate was officially launched. However, back-tested data may reflect the application of the index or rate methodology with the benefit of hindsight, and the historic calculations of an index or rate may change from month to month based on revisions to the underlying economic data used in the calculation of the index or rate.

This document may contain forward-looking assessments. These are based upon a number of assumptions concerning future conditions that ultimately may prove to be inaccurate. Such forward-looking assessments are subject to risks and uncertainties and may be affected by various factors that may cause actual results to differ materially. No member of LSEG nor their licensors assume any duty to and do not undertake to update forward-looking assessments.

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 LSEG. Use and distribution of LSEG data requires a licence from LSEG and/or its licensors.



**FTSE
RUSSELL**
An LSEG Business