

# FTSE Global Factor Index Series

The FTSE Global Factor Index Series is a suite of single and multi-factor indexes offering extensive global coverage across 16 starting universes and 6 equity risk premia factors. The benchmarks are designed to represent the performance of specific factor characteristics for which there is broad academic and empirical evidence of long term outperformance versus the market capitalization index.

Leveraging FTSE Russell's innovative, 'Tilt-Tilt' factor index construction technique, the single and multi-factor indexes use a transparent, rules-based and 'bottom-up' methodology to achieve controlled exposure to a target factor(s), whilst minimizing off-target exposure and considering levels of diversification and capacity.

FTSE Russell's collaborative and flexible factor index construction framework allows for the design of factor indexes tailored to specific client investment objectives. Factor indexes can be used for factor investment, benchmarking active management, index product management, performance measurement and attribution or to support factor-based asset allocation strategies.

## How to read this document

Within the FTSE Russell factor index framework, tilts can be applied to factors in varying strengths, which are defined as 'exponents' in the index construction methodology.

The default exponent for a single tilt is 1.0. All factor tilts referred to in this document are assumed to be a single tilt, unless otherwise specified.

Double tilt, exponent = 2.0	● ●
Single tilt, exponent = 1.0	●
Composite factor score, exponent = 1.0	● Composite factor
Half tilt, exponent = 0.5	½
Quarter tilt, exponent = 0.25	¼

# Single factor indexes

● Tilt strength for all single factor indexes is 1.0

Starting universe
FTSE All-World®
FTSE Developed
FTSE Developed ex US
FTSE Developed Asia Pacific
FTSE Developed Europe
FTSE Developed ex Korea
FTSE Emerging
FTSE Latin America Capped 5%
FTSE Brazil Capped 5%
FTSE/JSE All-Share Capped 5%
Russell 1000®
Russell 2000®
FTSE USA
FTSE USA Small Cap
FTSE Japan
FTSE 350 ex Invst Trust Capped 2%

Factors
Size Factor Index ●
Value Factor Index ●
Quality Factor Index ●
Volatility Factor Index ●
Momentum Factor Index ●
Yield factor Index ●

# Multi-factor indexes

Index	Tilt factor					
	Size	Value	Quality	Volatility	Momentum	Yield
<b>FTSE All-World®</b>						
Comprehensive	●	●	●	●	●	
Balanced Factor*	¼	●	●	●		
Qual/Val/Vol		●	● Composite factor			
<b>FTSE All-World® ex US</b>						
Comprehensive	●	●	●	●	●	
<b>FTSE Developed</b>						
Comprehensive	●	●	●	●	●	
Qual/Val/Vol		●	● Composite factor			
<b>FTSE Developed ex US</b>						
Comprehensive	●	●	●	●	●	
Select Factor	½	●	●	●	●	
Qual/Val/Vol		●	● Composite factor			
Qual/Vol/Yield			●	●		●
Qual/Vol/Yield 5% Capped			●	●		●
<b>FTSE Developed Asia Pacific</b>						
Qual/Vol/Yield			●	●		●
Qual/Vol/Yield 5% Capped			●	●		●
<b>FTSE Developed Europe</b>						
Comprehensive	●	●	●	●	●	
Qual/Vol/Yield			●	●		●
Qual/Vol/Yield 5% Capped			●	●		●
<b>FTSE Developed ex Korea</b>						
Qual/Vol			●	●		
Qual/2Vol			●	●●		
<b>FTSE Emerging</b>						
Comprehensive	●	●	●	●	●	
Qual/Val/Vol		●	●			
Qual/Vol/Yield			●	●		●
Qual/Vol/Yield 5% Capped			●	●		●

\*The FTSE All-World Balanced Factor Index excludes Controversial Weapons from the starting universe. Two additional sub-indexes are offered on this factor combination, one with an annual rebalance in March and another with an annual rebalance in September.

Index	Tilt factor					
	Size	Value	Quality	Volatility	Momentum	Yield
<b>FTSE/JSE All-Share 5% Cap</b>						
Comprehensive	●	●	●	●	●	
Low Volatility Focused	●	●	●	●●		●
<b>Russell 1000®</b>						
Comprehensive	●	●	●	●	●	
Low Volatility Focused**	●	●	●	●●		
Yield Focused	●	●	●			●●
Momentum Focused	●	●	●		●	
Mom/2Val		●●			●	
2Qual/Val 5% Capped		●	●●			
2Size/2Val 5% Capped	●●	●●				
2Mom/Size/Val 5% Capped	●	●			●●	
2Qual/2Vol 5% Capped			●●	●●		
2Mom/2Qual/2Vol 5% Capped			●●	●●	●●	
<b>Russell 2000®</b>						
Comprehensive	●	●	●	●	●	
2Size/2Val 3% Capped	●●	●●				
2Mom/Size/Val 3% Capped	●	●			●●	
2Qual/2Vol 3% Capped			●●	●●		
2Mom/2Qual/2Vol 3% Capped			●●	●●	●●	
<b>FTSE USA</b>						
Qual/Val/Vol		●	● Composite factor			
Qual/Vol/Yield			●	●		●
Qual/Vol/Yield 5% Capped			●	●		●
<b>FTSE USA Small Cap</b>						
Qual/Vol/Yield			●	●		●
Qual/Vol/Yield 3% Capped			●	●		●
<b>FTSE Japan</b>						
Comprehensive	●	●	●	●	●	
Qual/Val/Vol		●	● Composite factor			
Qual/Size/Val	●	●	●			
Qual/Val		●	●			
Val/Vol		●		●		

\*The Russell 1000 Low Volatility Focused Factor Index is also offered with a starting universe that excludes Tobacco.

Index	Tilt factor					
	Size	Value	Quality	Volatility	Momentum	Yield
<b>FTSE 350 ex Invst Trusts Capped 2%</b>						
Comprehensive	●	●	●	●	●	
Qual/Vol/Yield			●	●		●
Qual/Vol/Yield 5% Capped			●	●		●

## For more information about our indexes, please visit [ftserussell.com](https://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 TMX Global Debt Capital Markets Inc. and FTSE TMX Global Debt Capital Markets Limited (together, "FTSE TMX"), (4) MTSNext Limited ("MTSNext"), (5) Mergent, Inc. ("Mergent"), (6) The Yield Book Inc. ("YBI") and (7) FTSE Fixed Income LLC ("FTSE FI"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, YBI, FTSE FI, FTSE TMX, MTS Next Limited and Mergent. "The Yield Book®", "FTSE®", "Russell®", "FTSE Russell®", "MTS®", "FTSE TMX®", "Mergent®" 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 LSEG Companies or their respective licensors and are owned, or used under licence, by FTSE, Russell, YBI, FTSE FI, MTSNext, FTSE TMX, or Mergent.

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 products or the fitness or suitability of the products for any particular purpose to which they might be put. Any representation of historical data accessible through FTSE Russell 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 material or links to this material 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 material or accessible through FTSE Russell, 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, YBI, FTSE FI, FTSE TMX, MTSNext, Mergent 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](http://ftserussell.com).

---

To learn more, visit [ftserussell.com](http://ftserussell.com) and [yieldbook.com](http://yieldbook.com); or call your regional Client Service Team office:

### **EMEA**

+44 20 7334 8963

### **The Americas**

+1 212 816 0700

### **Asia-Pacific**

Hong Kong +852 2164 3288

Singapore +65 6818 6291

Japan +81 3 6860 4825